



MID-YEAR BUDGET REVIEW

2020-2021

OFFICE OF THE CITY MANAGER


JANUARY 2021

2020-2021

MID-YEAR
BUDGET
REVIEW

TABLE OF CONTENTS

	<u>TRANSMITTAL MEMORANDUM</u>	1
I.	<u>GENERAL FUND STATUS REPORT</u>	I - 1
	<u>A. STATUS OF GENERAL FUND REVENUES</u>	I - 2
	<u>B. STATUS OF GENERAL FUND EXPENDITURES</u>	I - 22
II.	<u>SELECTED SPECIAL/CAPITAL FUNDS STATUS REPORT</u>	II - 1
III.	<u>RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP ACTIONS</u>	III - 1
IV.	<u>APPENDIX</u>	IV
	A. FINANCIAL RESULTS	1



2020-2021

MID-YEAR
BUDGET
REVIEW



TRANSMITTAL
MEMORANDUM



Memorandum

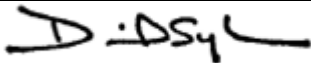
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim Shannon

**SUBJECT: 2020-2021 MID-YEAR
BUDGET REVIEW REPORT**

DATE: January 29, 2021

Approved



Date 1/29/21

RECOMMENDATIONS

- a) Approve the 2020-2021 Mid-Year Budget Review Report.
- b) Adopt related Appropriation Ordinance and Funding Sources Resolution amendments in various funds as detailed in Section III (Recommended Budget Adjustments and Clean-Up Actions) of the 2020-2021 Mid-Year Budget Review Report.

OUTCOME

The Mid-Year Budget Review Report provides an assessment of the City's budget condition in the current fiscal year as compared to the 2020-2021 Modified Budget based on actual performance during the first six months of 2020-2021. Based on this analysis, budget revisions are recommended to: address an urgent fiscal need to assist with Police Department public records act requests; implement required technical/rebalancing actions to align existing revenue estimates and expenditure budgets with the most current tracking information, implement City Council direction, or reallocate funding among appropriations based on updated needs; implement a number of technical and net-zero adjustments between revenue categories and expenditure appropriations; account for new or adjusted grants, reimbursements, or fees; and fund a limited number of new projects in special and capital funds.

EXECUTIVE SUMMARY

The 2020-2021 Adopted Operating and Capital Budgets for the City of San José totaled \$4.8 billion. With this funding, the City continues to deliver a wide range of services to the City's residents and businesses. The Adopted Budget was approved during the early stages of the COVID-19 pandemic ("pandemic") amongst a great degree of uncertainty regarding the economic outlook, resulting short and long-term impacts on City revenues, and the City's service delivery environment. Within an extremely short timeframe between the onset of the public health orders issued by Santa Clara County on March 17, 2020 to the budget's approval on June 16, 2020, the 2020-2021 budgetary process was revamped to: responsibly address the significant anticipated

revenue impacts due to the pandemic, strategically leverage the variety of emergency relief funding resources available to ensure a robust response effort from the City, and position the City to respond to more severe economic impacts, should they occur.

Overall performance through the first half of the fiscal year is generally meeting budgeted expectations, but there are pockets of variability in several City funds – including the General Fund – that need to be addressed to keep the budget in alignment through the end of the fiscal year, and to put the City in as good of a position as possible for the upcoming 2021-2022 Proposed Budget process.

Mid-Year Budget Review Highlights

General Fund

- Through the first half of the fiscal year, the pandemic’s impacts on Sales Tax, the City’s second largest revenue category in the General Fund, is less than previously forecasted back in the spring of 2020. However, several other categories have been more negatively impacted than previously forecasted, including the Parks, Recreation and Neighborhood Services Department’s fee activity revenue and Transient Occupancy Tax revenue. In addition, unrelated to the pandemic, a recent change to the calculation methodology for the distribution of Property Tax revenues attributable to the former Redevelopment Agency will also have negative impacts to the City in this fiscal year and ongoing.
- From an overall perspective, though the General Fund is expected to remain in balance by year-end, it is currently tracking in a slightly net negative position. After considering budget adjustments included in the Mid-Year Budget Review – and after removing consideration of the Real Property Tax revenues generated from Measure E that are allocated to affordable housing and homelessness prevention purposes – revenues are currently tracking to end the year approximately \$10 million below the revised budgeted estimates.
- While a number of adjustments bring the budget into close alignment, the potential shortfall is not yet recommended to be fully addressed due to other actions and information that will be available in the coming months. As an example, departmental expenditures are currently tracking with savings of \$3 - \$5 million, but this savings is likely to grow by year-end as vacancy estimates are refined. The Administration also continues to align pandemic response spending with available external funding sources, and some of these funding sources have recently broadened eligibility requirements, which may allow the City to further recoup eligible costs associated with the pandemic. Additional economic and revenue data, including second quarter Sales Tax receipts, will also become available in the coming weeks to help refine current year estimates.
- If conditions further deteriorate, the Budget Stabilization Reserve, currently at \$35.0 million, remains available to resolve any current year shortfall, though the Administration’s intent is to preserve this funding for consideration during the 2021-2022 Proposed Budget development, as needed.

- At this time, a number of Mid-Year Budget Review actions are recommended based on actual performance through December and projected activity through the remainder of the year. Major actions include the following:
 - **Urgent Fiscal/Program Needs:** Funding is recommended for the Police Department to augment the existing Body Worn Camera program by using Axon’s Redaction Assistant module to significantly speed the process of video redaction and the time to respond to Public Records Act requests (\$58,000).
 - **Required Technical/Rebalancing Actions:** Net revenue adjustments of \$3.1 million and net expenditure adjustments of \$3.2 million, are recommended resulting in a net cost of \$82,000. Notable revenue-related actions include projected additional receipts from the Sales Tax (\$20.0 million), additional Real Property Transfer Tax revenues and allocating them to Measure E affordable housing and homeless prevention reserves (\$10.0 million), the transfer of the residual balance of the Self-Insured Medical Fund (\$1.0 million), receiving additional transfers from Construction and Conveyance Tax Funds (\$1.0 million), and a correction to the revenue amount expected to be received from the 2020 Urban Areas Security Initiative (UASI) Grant (\$320,000). Notable revenue-related reductions include a significant downward adjustment for the Parks, Recreation and Neighborhood Services Department’s fees due to the continued impacts of the pandemic (-\$17.0 million), partially offset by related expenditure reductions (-\$4.0 million); decreased Property Tax receipts to reflect lower Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax revenues partially offset by higher than anticipated Unsecured Property Tax revenues (net -\$9.0 million); reductions to Transient Occupancy Tax revenues (-\$3.5 million); and a 2019-2020 final reconciliation to the Small Cell Permitting Fee Fund that results in a decreased transfer to the General Fund (-\$708,000). The remaining major expenditure revisions include an increase for the new janitorial services contract (\$835,000); an allocation to acquire consulting services to explore the feasibility of pension obligation bonds (\$300,000); an increase for Elections and Ballot Measures resulting from an accounting of costs from the November 2020 election (\$294,000); an increase for the City Clerk’s Office to acquire contractual services to support the Redistricting and Charter Review Commissions (\$258,000); a partial reduction to the Salaries and Benefits Reserve that was previously set aside for pay and benefit increases that can instead be absorbed within existing departmental budgets (-\$4.3 million); and a reduction to the Transfer to the Municipal Golf Course Fund in recognition of the lower levels of General Fund support needed for that fund due to higher levels of golfing activity (-\$1.0 million).
 - **Grants/Reimbursements/Fees:** Recommended adjustments provide for \$3.6 million in additional revenues and \$3.5 million in additional costs for a net gain of \$140,000. The largest adjustments in this category include actions to recognize and appropriate funding to support the following: the Ice Centre Expansion Project (\$1.6 million); T-Mobile Macro Site development (\$1.0 million); Fire Department reimbursements for Strike Team deployment (\$206,000); Santa Clara Valley Water District (\$200,000); CalVIP Trauma to Triumph Grant (\$156,000); and Sidewalk Repairs (\$100,000) requested from property owners.

- **Clean-Up Actions:** A variety of net-zero adjustments are recommended to reallocate funds for mobile data computer replacements from City-Wide Expenses to the Police Department (\$3.2 million) and consolidate the appropriations for Council Districts #4, #6, and #10 with the conclusion of the recent elections (\$2.2 million). Additional net-zero adjustments correct errors or re-align revenues and/or expenditures among appropriations for previously approved budget actions.

Special/Capital Funds

- Overall, the City’s special and capital funds are generally performing within expected levels through December, with some notable exceptions. Budget adjustments are recommended in several funds to adjust for revised revenue and cost estimates, to address critical current year funding needs, and to recognize various grants and reimbursements. Some of the highlights and major recommended adjustments are described below.
 - Through December, the Airport has enplaned and deplaned 1.6 million passengers, a decrease of 80.2% compared to the same period last fiscal year (8.3 million passengers), and worse than the projected decline of 60% in passengers in 2020-2021; however, passenger operations (takeoffs and landings) are generally in line with expectations with a 62.1% decline from the prior year. In calendar year 2020, the Airport enplaned and deplaned 4.7 million passengers, which is down 10.9 million passengers, or 69.9%, from the peak of 15.7 million passengers served in calendar year 2019. While the lower than anticipated passenger levels are negatively impacting Parking and Roadway collections and Passenger Facility Charge revenue estimates, other categories such as Landing Fees, Terminal Rentals, and Terminal Concessions are tracking to meet or exceed budgeted estimates.
 - Through December 2020, the average hotel occupancy rate reported for the San José market was 36.7%, a significant drop from the 74.1% from the same period in 2019-2020. Average room rates also decreased by 46.9%, from \$191.50 to \$101.70, and the year-to-date average revenue-per-available room (RevPAR) decreased 73.7%, from \$141.96 to \$37.33, relative to the same period in 2019-2020. Based on lower than anticipated performance through December, and the continued presence of the pandemic that will further negatively impact hotel occupancy, budget adjustments are included in this report to reduce the Transient Occupancy Tax (TOT) budgeted estimate by \$5.2 million, from \$13.5 million to \$8.3 million, with corresponding reductions recommended in the Transient Occupancy Tax Fund, the Convention and Cultural Affairs Fund, and the Convention Center Facilities District Revenue Fund to rebalance these funds.

- Through the first half of 2020-2021, within the General Purpose Parking Fund, collections from parking garages and meters totaled \$2.4 million, which is 26.9% of the 2020-2021 Modified Budget estimate of \$9.0 million, reflecting lower than anticipated demand for parking facilities, suspended charges for on-street parking outside the Downtown Core, and 90 minutes of free parking in City garages. This collection level is 61.6% below prior year collections of \$6.3 million for the same period. As the current level of parking activity and corresponding collections are not expected to significantly increase for the remainder of the fiscal year, it is anticipated that revenues from parking garages and meters will total \$6.3 million, which is \$2.7 million (57%) less than the budgeted level, and a 67% drop from 2018-2019 levels.
- The Building and Structure Construction Tax and the Construction Excise Tax revenues, the two largest construction-related revenues, are tracking to exceed their Adopted Budget year-end estimates, reflecting higher than anticipated commercial development permit activity. While the pace of activity has slowed somewhat in November and December when compared to earlier in the fiscal year, tax receipts from the Building and Structure Construction Tax are expected to exceed budgeted levels by \$6.0 million (32%; \$19.0 million to \$25.0 million) and Construction Excise Tax receipts are expected to exceed budgeted levels by \$7.0 million (50%; from \$14.0 million to \$21.0 million).
- Construction and Conveyance (C&C) Tax receipts are the largest source of revenue for the C&C Tax funds. Through December 2020, C&C Tax collections totaled \$20.0 million, which represents approximately 67% of the 2020-2021 Adopted Budget estimate of \$30.0 million. Driven by the strong performance of the residential real estate market, including higher sales and median price, collections in 2020-2021 are anticipated to exceed the budgeted estimate by \$10.0 million (33%) and reach \$40.0 million. Therefore, a recommendation to increase the 2020-2021 C&C Tax estimate from \$30.0 million to \$40.0 million is included in this report.

Looking forward, the Administration is scheduled to release the 2022-2026 General Fund Five-Year Forecast on February 28, 2021, and the 2021-2022 Proposed Capital and Operating Budgets on April 26, 2021 and May 3, 2021 respectively. Analysis from this Mid-Year Budget Review will be factored into both the Forecast and Proposed Budgets, as appropriate.

BACKGROUND

The annual Adopted Budget is a financial plan predicated on the best information available at the time it is prepared. As with any budget, however, changing conditions create the need to modify the original plan. Through its budget policies, the City Council has designated mid-year as the appropriate time to perform a comprehensive review of the current year's budget, and the Mid-Year Budget Review as the appropriate vehicle for consideration of any revisions to the budget. This Mid-Year Budget Review Report complies with that policy. It contains a comprehensive review of the status of the City's 2020-2021 Operating and Capital Budgets as modified through December 2020.

The Mid-Year Budget Review Report includes the following sections:

- **Transmittal Memorandum** – An overall summary of the contents of the Mid-Year Budget Review Report.
- **Section I: General Fund Status Report** – A review of the General Fund revenues and expenditures through Mid-Year.
- **Section II: Selected Special/Capital Funds Status Report** – A review of selected special and capital funds that have revenue and/or expenditure variances from the Modified Budget or other issues of interest.
- **Section III: Recommended Budget Adjustments and Clean-up Actions** – The Recommended Budget Adjustments detail the proposed budget augmentations/reductions in the General Fund and special/capital funds. The Clean-up Actions detail the technical appropriation and revenue estimate adjustments for the General Fund and special/capital funds.
- **Section IV: Appendix** – This section includes the financial results, prepared by the Finance Department, for all budgeted fund groups for the first six months of the year.

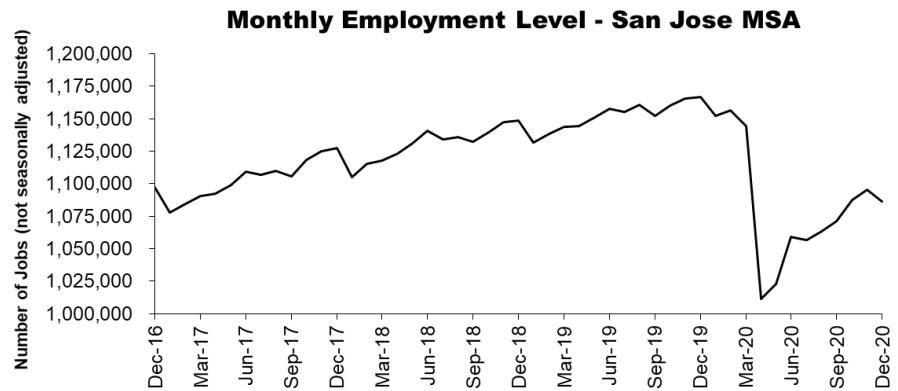
ANALYSIS

The Analysis section includes the following: an overview of the current economic environment; a discussion of General Fund performance through December; a summary of recommended General Fund budget adjustments included in the Mid-Year Budget Review Report; and a status report on selected special and capital funds.

ECONOMIC ENVIRONMENT

Economic conditions in the Silicon Valley significantly changed in Spring 2020 as a result of the pandemic. Due to uncertainty regarding the timing of when a vaccine will be widely distributed, a steep rise in COVID-19 cases during the fall and winter months, and ongoing social distancing requirements, economic conditions are anticipated to continue to be suppressed during the remainder of 2020-2021.

The December 2020 employment level of 1.09 million in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) dropped by 80,300 jobs, or 6.9%, from the December 2019 level of 1.17 million. This decrease includes leisure and hospitality jobs dropping by 33,400



jobs; manufacturing declining 10,900 jobs; and the information industry declining by 10,300 jobs.¹ However, as shown in the chart above, since the initial sharp employment decline at the beginning of the shelter-in-place, employment levels have increased by 75,100 jobs, or 7.4%, from April 2020 through December 2020.

Unemployment Rate (Unadjusted)				
	Dec. 2019	April 2020	July 2020	Dec. 2020**
San Jose Metropolitan Statistical Area*	2.3%	12.0%	9.5%	6.0%
State of California	3.7%	16.2%	13.9%	8.8%
United States	3.4%	14.4%	10.5%	6.5%
* San Benito and Santa Clara Counties Source: California Employment Development Department.				
** December 2020 estimates are preliminary and may be updated.				

After topping at 12.0% in April, the local unemployment rate has significantly dropped. In December 2020, the local unemployment rate was 6.0%, which is significantly lower than April 2020 (12.0%) and July 2020 (9.5%). Additionally, while local unemployment figures have risen since the shelter-in-place mandate began, the unadjusted rates continue to be lower than the State and the national levels.

Overall construction activity through December 2020 increased 17.2% from prior year levels. The increase is primarily due to extremely strong commercial activity occurring in the first quarter of the fiscal year. The 2020-2021 Adopted Budget was developed with the expectation that private development activity would remain strong, but would be significantly weaker than previous years.

Through December 2020, residential permit valuation has decreased 12.5% from prior year levels (\$203.6 million through December 2020; \$232 million through December 2019). Residential activity through December included 585 multi-family units and 271 units for single-family construction for a total of 856 units.

Commercial valuation through December experienced growth of 108.1% from the prior year level (\$921.6 million through December 2020; \$442.9 million through December 2019). Extremely

¹ State of California Employment Development: Labor Market Information Division Press Release, January 22, 2021

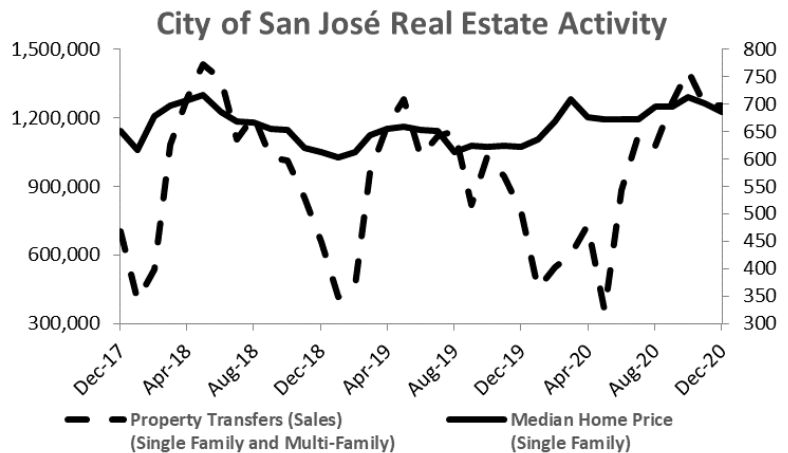
strong commercial activity in the first quarter of the fiscal year (\$741.8 million) was followed by more typical valuation in the second quarter (\$179.8 million). The permit for one large new commercial office building in downtown San José accounted for more than half the valuation in the first quarter (\$415 million). The months of November and December were a modest \$39.6 million, with additions/alterations (\$24.7 million) accounting for most of the commercial activity.

Industrial construction valuation through December was 46.6% lower than prior year levels, with receipts totaling \$278.6 million through December 2020 and \$522.0 million through December 2019, which was an historically high figure. The current fiscal year, however, is 33.7% higher than the 2018-2019 valuation level through December (\$208.4 million). Similar to the same period for last year, a spike in permit

Private Sector Construction Activity (Valuation in \$ Millions)			
	YTD December 2019	YTD December 2020	% Increase
Residential	\$ 232.8	\$ 203.6	(12.5%)
Commercial	\$ 442.9	\$ 921.7	108.1%
Industrial	\$ 522.0	\$ 278.6	(46.6%)
TOTAL	\$ 1,197.7	\$ 1,403.9	17.2%

valuations in July drove the strong valuation level thru December of this fiscal year. Industrial activity for November and December was similar for both new construction and additions/alterations (new construction of \$14.6 million; alterations of \$15.3 million).

Real estate activity was anticipated to be sluggish in 2020-2021 due to higher unemployment rates coupled with lower consumer confidence. According to data from the Santa Clara County Association of Realtors, the number of property transfers (sales) experienced year-over-year decreases (from the same time period in the prior year) ranging from 10%-54% between the beginning of the shelter-in-place through June. However, beginning in September, the local real estate market once again began to experience year-over-year gains. Through December, there were a total of 4,099 property transfers for all residences, which represents growth of approximately 18% from December 2019 levels. In addition, median single family home prices remain strong. As of December 2020, the median single family home price totaled \$1.23 million, which represents a 14.4% increase from the December 2019 price of \$1.07 million.



On a national level, consumer confidence declined in both November and December, and continues to remain well below pre-pandemic levels. According to Lynn Franco, Senior Director of Economic Indicators at The Conference Board, “Consumers’ assessment of current conditions deteriorated sharply in December, as the resurgence of COVID-19 remains a drag on confidence.

Overall, it appears that growth has weakened further in Q4, and consumers do not foresee the economy gaining any significant momentum in early 2021.”²

Economic conditions will continue to be closely monitored and factored into the 2022-2026 General Fund Five-Year Forecast, scheduled to be released on February 28, 2021, and the upcoming releases of both the Proposed Capital and Operating Budgets, scheduled to be released on April 26, 2021 and May 3, 2021, respectively.

GENERAL FUND PERFORMANCE

General Fund revenues through December totaled \$464.7 million, or 36.2% of the budgeted estimate. The pandemic and the resulting Santa Clara County health orders continue to have a significant impact on General Fund resources; therefore based on information known at this point of the year, existing revenues are anticipated to end the year approximately \$5 million - \$10 million below budgeted levels (variance of approximately 1% when excluding the Beginning Fund Balance). This variance is inclusive of Real Property Transfer Tax revenues, which are allocated for affordable housing and homelessness prevention purposes. Setting these revenues aside, the variance increases to \$15 - \$20 million below budgeted levels. Revenues that are performing below anticipated levels include Fees, Rates, and Charges, Property Tax, Transient Occupancy Tax, Business Taxes, and Fines, Forfeitures and Penalties. Partially offsetting the declining revenues is higher than anticipated Sales Tax and Real Property Transfer Tax receipts.

In this document, an overall net increase of \$6.7 million to the General Fund Sources is recommended. This reflects required technical and rebalancing actions (\$3.1 million) and the recognition of grants, reimbursements, and/or fee related funds (\$3.6 million). Budget adjustments are recommended in this report for several revenue categories to align the budgeted estimate with anticipated receipts. These adjustments include increasing the revenue estimates for Sales Tax (\$20.0 million) and the Real Property Transfer Tax (\$10.0 million), and decreasing the estimates for Fees, Rates, and Charges/PRNS Fee's (-\$17.0 million), Property Tax (-\$9.0 million) and Transient Occupancy Tax (-\$3.5 million). These recommended adjustments are described in further detail on the following pages.

After considering budget adjustments included in the Mid-Year Budget Review – and after removing consideration of the Real Property Tax revenues generated from Measure E that are allocated to affordable housing and homelessness prevention purposes – revenues are currently tracking to end the year approximately \$10 million below the revised budgeted estimates.

General Fund expenditures through December totaled \$681.7 million, or 39.4% of the total 2020-2021 Modified Budget. This expenditure level represents an increase of \$124.7 million, or 22.4%, from the December 2019 level. This increase is primarily due to the Tax Revenue Anticipation Note (TRANS) Debt Service payment (\$53.1 million) that occurred in 2020-2021, but did not occur in 2019-2020, and higher transfers (\$51.3 million) that were related to moving the development fee program out of the General Fund and into separate special funds. In addition,

² The Conference Board, Consumer Confidence Survey, December 2020

encumbrances through December totaled \$67.1 million, which are \$9.4 million below the December 2019 level, which is primarily due to lower Capital Contribution encumbrances. In total, expenditures and encumbrances through December totaled \$748.8 million, which constitutes 43.3% of the total Modified Budget (including reserves) of \$1.7 billion. When excluding reserves of \$204.5 million, expenditures and encumbrances through December constituted 49.1% of the total Modified Budget. Expenditure adjustments are recommended to implement an urgent program/fiscal need; required technical/rebalancing adjustments; account for expenditures backed by grants, reimbursements, and fee adjustments; and complete clean-up actions are also recommended in this report. In this document, an overall net increase of \$6.7 million to the General Fund Sources is recommended. This reflects required technical and rebalancing actions (\$3.2 million) and the recognition of grants, reimbursements, and/or fee related funds (\$3.5 million). These recommended adjustments are also described in further detail on the following pages.

The potential remaining revenue shortfall of approximately \$10 million is not yet recommended to be fully addressed due to other actions and information that will be available in the coming months. As an example, departmental expenditures are currently tracking with savings of \$3 - \$5 million, but this savings is likely to grow by year-end as vacancy estimates are refined. The Administration also continues to align pandemic response spending with available external funding sources, and some of these funding sources have recently broadened eligibility requirements, which may allow the City to further recoup eligible costs associated with the pandemic. Additional economic and revenue data, including second quarter Sales Tax receipts, will also become available in the coming weeks to help refine current year estimates.

The revenue and expenditure adjustments are summarized below and described in more detail in Section III, Recommended Budget Adjustments and Clean-Up Actions of this report. A more detailed discussion of both the General Fund revenue and expenditure performance is also provided in Section I of this report.

RECOMMENDED GENERAL FUND BUDGET ADJUSTMENTS

As previously stated, the budget actions recommended in the Mid-Year Budget Review result in an increase of \$6.7 million to General Fund revenues and expenditures. The recommended Mid-Year Budget Review actions accomplish the following: 1) implement one urgent fiscal/program need; 2) implement required technical/rebalancing adjustments; 3) recognize various revenue-supported grants, reimbursements, and fee adjustments; and 4) implement clean-up actions. The chart below summarizes these recommended adjustments.

**2020-2021 MID-YEAR BUDGET REVIEW
 RECOMMENDED GENERAL FUND BUDGET ACTIONS**

BUDGET CATEGORY	Source of Funds (\$ in Millions)	Use of Funds (\$ in Millions)
Urgent Program/Fiscal Needs		
Police Department (Redaction Services)		\$0.058
Total Urgent Program - Fiscal Needs	\$0.000	\$0.058
Required Technical/Rebalancing Actions		
Sales Tax Revenue	\$20.000	
Real Property Transfer Tax/Measure E Reserves	10.000	10.000
Other Revenue/Google Parking Lots Option Payment Reserve	1.100	1.100
Transfer from Self-Insured Medical Fund	1.000	
Transfer from Construction and Conveyance Tax Funds	0.978	
Revenue from Federal Government (2020 UASI Grant)	0.320	
Parks, Recreation, and Neighborhood Services Fee Activity	(17.000)	(4.000)
Property Tax Revenue	(9.000)	
Transient Occupancy Tax Revenue	(3.500)	
Transfer from Small Cell Permitting Fee Fund	(0.708)	
Other Revenue/Banking Services (Merchant Card Service Fee)	(0.415)	(0.312)
Public Works Department (Janitorial Services)		0.835
Finance Dept (Pension Obligation Bond Consulting Services)		0.300
Elections and Ballot Measures		0.294
City Clerk's Office (Redistricting and Charter Review Commissions)		0.258
Salaries and Benefits Reserve		(4.322)
Transfer to the Municipal Golf Course Fund		(1.000)
Other Miscellaneous Adjustments	0.321	0.025
Other Net-Zero Expenditure Adjustments	0.000	0.000
Total Required Technical/Rebalancing Actions	\$3.096	\$3.178
Grants/Reimbursements/Fees		
Various Grants/Reimbursements/Fee Adjustments	\$3.595	\$3.455
Total Grants/Reimbursements/Fees	\$3.595	\$3.455
Clean-Up Actions		
Various Net-Zero Adjustments	0.000	0.000
Total Clean-Up Actions	\$0.000	\$0.000
Total Recommended Adjustments	\$6.691	\$6.691

Following is a brief description of the General Fund revenue and expenditure adjustments recommended in this report. Additional information on these adjustments is provided in Section III. Recommended Budget Adjustments and Clean-Up Actions, of this report.

URGENT PROGRAM/FISCAL NEEDS

- ***Police Department (Redaction Services) (\$58,000):*** Increases the Police Department's Non-Personal/Equipment appropriation by \$58,000 to fund an augmentation to the existing Body Worn Camera program utilizing Axon's Redaction Assistant module. This module allows for automatic redaction in videos of common objects such as mobile data computers (MDC) screens, faces and license plates. Program staff was granted temporary access to the software and conducted an analysis performing redactions manually versus the software module and they found that there was a 48% time-savings using the software. This increase in efficiency will help improve timeliness of responses to public records act requests.

REQUIRED TECHNICAL/REBALANCING ACTIONS

- ***Sales Tax Revenue (\$20.0 million):*** Increases the revenue estimate for Sales Tax by \$20.0 million, from \$242.5 million to \$262.5 million, to reflect higher than anticipated General Sales Tax collections. The 2020-2021 General Sales Tax estimate was built on the assumption that 2019-2020 receipts would total \$201.0 million and drop 4.5% to \$192.0 million in 2020-2021. However, since 2019-2020 receipts ended the year at \$211.0 million, receipts can drop by 9.0% and meet the budgeted estimate. The first payment for Sales Tax was received in November (July-September activity) and represented a 5.5% decline from the first quarter payment of 2019-2020. Therefore, at this time, based on the performance for the final quarter of 2019-2020 and the first quarter payment of 2020-2021, it is anticipated that General Sales Tax will exceed the budgeted estimate by \$20.0 million, totaling \$212.0 million in 2020-2021. When excluding proceeds from the Revenue Capture Agreement, which did not take effect until October 2019, the revised estimate for General Sales Tax collections is approximately 6.4% below 2019-2020 collections.
- ***Real Property Transfer Tax Revenue/Measure E Reserves (Net-Zero, \$10.0 million):*** Increases the revenue estimate for Real Property Transfer Tax by \$10.0 million, from \$30.0 million to \$40.0 million, to reflect higher than anticipated collections. On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. The 2020-2021 Adopted Budget estimate for this new tax totals \$30.0 million. Based on collections received through December (\$22.5 million), it is anticipated 2020-2021 collections will exceed the Adopted Budget estimate by approximately \$10.0 million and end the year at \$40.0 million.

These additional Real Property Transfer Tax proceeds are allocated in accordance with City Council Policy 1-18, Section 22 to support affordable housing and homelessness prevention: 45% is set aside for permanent supportive and affordable rental housing for extremely low-income households (Measure E - 45% Extremely Low Income Reserve, \$4.5 million); 35% is set aside for affordable rental housing for low-income households (Measure E - 35% Low Income Reserve, \$3.5 million); 10% is set aside for below market-rate for-sale housing and rental housing for moderate income households (Measure E - 10% Moderate Income Reserve, \$1.0 million); and, 10% is set aside for homelessness prevention (Measure E - 10% Homelessness Prevention Reserve, \$1.0 million).

- ***Other Revenue/Google Parking Lots Option Payment Reserve (Net-Zero, \$1.1 million):*** Increases the estimate for Other Revenue and the Google Parking Lots Option Payment Reserve by \$1.1 million to recognize proceeds from the 2020-2021 Option payment made by Google. On December 4, 2018, the City Council approved the sale of city-owned properties in the Diridon Station Area to Google for the development of the Diridon Station Area. On December 4, 2018, the City Council also approved an Option Agreement with Google for the potential sale of SAP Center Lots A/B/C located at 525 W. Santa Clara Street and 566 W. Julian Street to Google should certain conditions be satisfied. The Option Agreement accounts for a potential of five Option payments; the first three are to be held and returned to Google should the sale not take place. If the sale does take place, the first three Option payments would be credited toward the purchase price. According to the agreement, the payments will be held in a reserve until Google San Jose Arena Management and the City come to an agreement on an alternative parking arrangement for the SAP Center and a Parking Agreement Amendment is executed. This is the third payment of the Option Agreement, bringing the total payment amount to \$2.7 million.
- ***Transfer from the Self-Insured Medical Fund (\$1.0 million):*** Increases the estimate for Transfers and Reimbursements by \$1.0 million to reflect a transfer from the Self-Insured Medical Fund. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. However, payment of claims were lower than anticipated, leaving an available balance that can be returned to the General Fund. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment. This transfer reflects a portion of the fund balance that is left in this fund after the close-out period. A full reconciliation of this fund and a transfer of the remaining fund balance will happen at the end of this fiscal year.
- ***Transfer from Construction and Conveyance Tax Funds (\$978,000):*** Increases the estimate for Transfers and Reimbursements by \$978,000 to recognize a transfer from the Parks Maintenance Construction and Conveyance (C&C) Tax Fund (\$960,000) and from the Park Yards C&C Tax Fund (\$18,000) for operating and maintenance costs. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department. As described later in this memorandum, the C&C revenue estimate is recommended to increase by \$10.0 million, from \$30.0 million to \$40.0 million, of which \$6.4 million is attributable to Parks C&C Tax revenue.
- ***Revenue from Federal Government (2020 UASI Grant Revenue) (\$320,000):*** Increases the estimate for Revenue from Federal Government by \$320,355 to recognize funding from the 2020 Urban Areas Security Initiative (UASI) grant. The revenue estimate for this grant was inadvertently reduced as part of the 2019-2020 Annual Report and this action aligns the revenue estimate with the actual collections. The funding supports four limit-dated positions in the Office of Emergency Management for: community resource planning; development of a City of San José Mass Care Plan; coordination of the Emergency Operations Center (EOC) Readiness Plan that includes management of services, resources, and systems for San José's

primary, alternate, and mobile EOC; and coordination of emergency alert and warning services.

- ***Parks, Recreation and Neighborhood Services Fee Activity (-\$17.0 million revenue, -\$4 million expenditure decrease):*** Reduces the revenue estimate for Fees, Rates and Charges by \$17.0 million, which is partially offset by a reduction to the Parks, Recreation and Neighborhood Services Department's (PRNS) Fee Activities appropriation by \$4.0 million, from \$9.9 million to \$5.9 million. The effects of the pandemic have significantly impacted community programming offered by PRNS. While the 2020-2021 Adopted Operating Budget included the cancelation of revenue generating programs (Family Camp and Aquatics Program) and overall lower levels of programming, the pandemic's impacts have been far more severe, with very little programming taking place. Some of the programs that are taking place, such as R.O.C.K. 'n' Learn "learning pods" and San Jose Recreation Preschool are operating at no cost to participants during the pandemic. In addition, while revenue streams associated with Camps, Leisure Classes, Happy Hollow Park & Zoo food concessions, and Sports Leagues remain severely limited or non-existent due to public health constraints, the fixed costs for staffing these programs have continued in support of modified programming, administrative and facility management duties, and the reallocation of staff responsibilities in support of various EOC-directed and other assignments (health screenings, childcare, food distribution, community sheltering, 2020 Census, etc.). While the Administration will look to offset EOC-directed costs with eligible external funding sources, a portion of the costs will likely need to be absorbed.
- ***Property Tax Revenue (-\$9.0 million):*** Decreases the Property Tax estimate by a net of \$9.0 million, from \$370.5 million to \$361.5 million, to reflect lower Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax revenue (-\$10.0 million), partially offset by higher than anticipated Unsecured Property Tax revenue (\$1.0 million). As the result of a State of California Appellate Court decision, the distribution formula related to all California residual property tax revenue from former Redevelopment Agencies has been changed, resulting in a loss of approximately \$10.0 million in 2020-2021 (from \$21.0 million to \$11.2 million) to the City of San José. The \$10.0 million reduction is attributable to revisions to disbursements from the past three years (\$7.0 million) and a revision to the estimated amount attributable to 2020-2021 (\$3.0 million). Partially offsetting this decline is an anticipated increase of \$1.0 million in Unsecured Property Tax collections. Based on preliminary information provided by Santa Clara County, Unsecured Property Tax receipts are anticipated to total over \$14.0 million in 2020-2021, which is approximately \$1.0 million over the budgeted estimate of \$13.1 million.
- ***Transient Occupancy Tax Revenue (-\$3.5 million):*** Decreases the revenue estimate for Transient Occupancy Tax by \$3.5 million, from \$9.0 million to \$5.5 million, to reflect the continuing impacts of the pandemic and suppressed hotel activity. This forecast revision better aligns with year-to-date performance and the adjusted outlook for the remainder of 2020-2021. Additional revenue decreases and rebalancing adjustments are recommended in the Transient Occupancy Tax Fund, Convention and Cultural Affairs Funds, and Convention Center Facility District Funds that are discussed later in this memorandum.

- ***Transfer from the Small Cell Permitting Fee Fund (-\$707,632)***: Decreases the revenue estimate for Transfers and Reimbursements by \$707,632 to recognize a reduction to the transfer from the Small Cell Permitting Fee Program Fund. This action corrects a previous increase to the transfer included in the 2019-2020 Annual Report. After the final closeout of 2019-2020 and reconciliation of the Small Cell Permitting Fee Program, the amount to transfer due to the General Fund is \$466,100, not the \$1.2 million included in the 2019-2020 Annual Report.
- ***Other Revenue/Banking Services (Merchant Card Service Fee) (-\$415,000 revenue, - \$312,000 expense)***: Decreases the estimates for Other Revenue by \$415,000 and decreases the Banking Services City-Wide Expenses appropriation by \$312,000, from \$1.7 million to \$1.4 million, to reflect the previously approved changes for merchant card processing. The City is implementing a new 2.4% credit card service fee in March 2021. The 2020-2021 Adopted Budget assumed implementation by January 2021, and that the City would collect and administer the fees. Instead, as described in the memorandum approved by the City Council at their meeting on December 8, 2020, the City's expenses will be credited by the merchant card processors. While net General Fund savings are less than previously estimated for 2020-2021 due to the timing of implementation, the new service fee will reduce ongoing costs by over \$1.0 million, an improvement from the \$800,000 previously estimated.
- ***Public Works Department (Janitorial Services Contract) (\$835,000)***: Increases the Public Works Department's Non-Personal/Equipment appropriation by \$835,000 to account for increased costs for janitorial services. On October 6th, 2020, the City Council approved an agreement with PRIDE Industries One Inc. for janitorial services for City Hall, community centers, libraries, and the Police Department facilities. The new contract is a 40% increase from the previous contract. This adjustment accounts for the increased cost for 2020-2021, primarily associated with labor costs, from the beginning of the contract in November 2020 through June 2021. A \$250,000 decrease to the Public Works Department's Personal Services appropriation is also recommended to partially offset this action. The ongoing costs associated with the new contract of \$1.1 million will be incorporated into the 2021-2022 Base Budget.
- ***Finance Department (Pension Obligation Bond Consulting Services) (\$300,000)***: Increases the Finance Department's Non-Personal/Equipment appropriation by \$300,000 for consulting and legal services to evaluate and prepare for the potential issuance of Pension Obligation Bonds (POBs). On December 1, 2020, the City Council directed staff to conduct a study session on pension obligation bonds in spring 2021 which includes research on the prevalence and performance of POBs; impact on credit ratings; sensitivity analyses on varying sizes of POBs; risk tolerance levels; cost-benefit analyses; strategies for recognizing and applying savings; and if the City Council decides to proceed forward, commence the process of preparing documentation for bond validation and ultimate issuance of POBs. The Finance Department is finalizing the RFP for municipal advisors for Phase I (report for Council Study Session) and the City Attorney's Office is finalizing the selection of bond counsel to assist in preparing for the April Study Session and subsequent preparation of bond documentation necessary for the court validation, if directed to proceed by the City Council. Should the City Council give direction to proceed with pension obligation bonds, additional funds may be

necessary for the Phase II scope of work, which includes development of legal documents for court validation process and commencement of judicial validation process. Any need for additional funding will be brought forward as part of the 2021-2022 budget process. Should the City Council decide to not move forward with the issuance of pension obligation bonds, any savings from the allocation that would have helped fund bond documentation and court validation efforts will be returned to the General Fund as part of the year-end budget process.

- ***Elections and Ballot Measures (\$294,000)***: Increases the Elections and Ballot Measures City-Wide Expenses appropriation to the Office of the City Clerk by \$294,040, from \$2,882,000 to \$3,176,040, to provide adequate funding based on the actual costs for the November 2020 Election.
- ***Office of the City Clerk (Redistricting and Charter Review Commissions) (\$258,000)***: Increases the Non-Personal/Equipment appropriation to the Office of the City Clerk by \$258,000 to support contractual services for: the Redistricting Commission (\$150,00) to ensure the redistricting process and final map comply with federal, state and local laws; and for the Charter Review Commission (\$108,000) to facilitate the commission's process to examine the City's governance structure and solicit community input.
- ***Salaries and Benefits Reserve (-\$4.3 million)***: Decreases the Salaries and Benefits Reserve by \$4.3 million, from \$24.1 million to \$19.8 million. As part of the 2020-2021 Adopted Operating Budget, \$4.6 million was set aside for the Management Pay for Performance Program (MPP) salary increases, actual employee benefit costs, and general wage increases that was negotiated and agreed to by the City and the Peace Officer Park Ranger Association (POPRA) bargaining unit. Due, in part, to cost control efforts of the Administration that include a hiring freeze exemption review process to manage vacancies, of the \$4.6 million, only \$2.6 million is recommended to be distributed to various department's Personal Services appropriation as part of this report and the remaining allocation of \$2.0 million is recommended to be used as a balancing action to help offset the actions included in this report.

The Salaries and Benefits Reserve had also set aside \$2.5 million for City contributions related to the Federated City Employees Retirement System plan that were not previously incorporated into the Base Budget. Again, due to vacancy savings and cost control measures, these funds are not anticipated to be necessary and can be released as a balancing action to offset the adjustments included in this report.

Finally, a savings of \$300,000 was assumed for the Voluntary Furlough/Reduced Work Week Program and was temporarily accounted for in the Salaries and Benefits Reserve; however, only \$145,000 of savings was achieved from employees who opted for the program, resulting in an amount of \$155,000 that could not be recognized as savings. After accounting for all these actions, a net savings of \$4.3 million remains in the Salaries and Benefits Reserve, which is recommended to be used as a balancing action to offset the actions included in this report.

- ***Transfer to the Municipal Golf Course Fund (-\$1.0 million):*** Decreases the transfer from the General Fund to the Municipal Golf Course Fund by \$1.0 million, from \$9.7 million to \$8.7 million, to reflect higher than anticipated operating revenues during 2020-2021 and lower net operating assistance requirements for the Los Lagos Golf Course and Rancho del Pueblo Golf Course. Corresponding adjustments are recommended in the Municipal Golf Course Fund to recognize additional Revenue from the Use of Money/Property, to decrease the estimate for Transfers and Reimbursement, and to decrease the respective Los Lagos Golf Course and Rancho del Pueblo Golf Course appropriations.
- ***Public Works Department Personal Services (Vacancy Savings) (-\$250,000):*** decreases the Public Works Department's Personal Services appropriation by \$250,000 to recognize vacancy savings. This decrease will partially offset an increase to the Public Works Department's Non-Personal/Equipment appropriation to fund increased costs for janitorial services that is recommended elsewhere in this report.
- ***Other Miscellaneous Adjustments (\$321,000 revenue increase, \$25,000 expenditure increase):*** Includes several miscellaneous actions to adjust budgets with projected levels, the largest of which are:
 - ***Revenue from Local Agencies (VTA Bus Shelter) (\$261,000):*** Increases the estimate for Revenue from Local Agencies by \$260,415 to recognize revenue from the Santa Clara Valley Transportation Authority (VTA) per the agreement scheduled for City Council approval elsewhere on this agenda for the City to receive a share of bus shelter advertising revenue generated from bus shelters located in the City of San José retroactive from January 1, 2018 through December 31, 2021. Of the \$300,415 expected for 2020-2021, approximately \$40,000 was previously included in the budget. The remaining amount is recognized in this report.
 - ***Information Technology Department Non-Personal/Equipment (Windows 10 Enterprise Operating System License) (\$98,000):*** Increases funding for the purchase of 1,180 Windows 10 Enterprise Operating System Licenses for the Police and Fire Departments.
 - ***Bulletproof Vest Partnership/Revenue from the Federal Government (\$73,000 revenue decrease, \$1,390 expenditure decrease):*** Decreases the Police Department's Non-Personal/Equipment appropriation by \$1,390 and reduces the estimate for Revenue from the Federal Government by \$72,547. Funds were inadvertently budgeted with the expectation of full grant funding for equipment acquisition; however, the reimbursement basis was later confirmed as fifty percent of eligible expenses. This adjustment realigns budgeted revenues with actual expenditures and reimbursements.
 - ***Sanitary Sewer Fees (\$60,000):*** Increases the Sanitary Sewer Fees appropriation by \$60,235, from \$540,000 to \$600,235, to pay for sanitary sewer fees attributed to City-owned properties. This action aligns the budgeted amount for the Sanitary Sewer Fees appropriation with projected year-end estimates.

- ***Other Net Expenditure Adjustments (\$0)***: Includes a number of net-zero adjustments to align already approved revenue estimates and expenditure budgets with the most current tracking information, or reallocate funding among appropriations based on updated needs.
 - *Workers’ Compensation Claims - Fire (\$500,000), Workers’ Compensation Claims – Other Departments (\$250,000), Workers’ Compensation Claims – Transportation (-\$375,000), and Workers’ Compensation Claims – Public Works (-\$375,000)*: Reallocates \$750,000 between several Worker’s Compensation Claims appropriations to reflect actual expenditure trends.
 - *Transportation Department Personal Services (-\$500,000)/Transportation Department Non-Personal/Equipment (Electrician Contractors) (\$500,000)*: Shifts funding of \$500,000 between appropriations to support costs for contracted electrician services.
 - *Planning, Building, and Code Enforcement Personal Services (Multiple Housing Vacancy Savings) (-\$200,000)/Planning, Building, and Code Enforcement Non-Personal/Equipment (Code Enforcement Consultant Study) (\$200,000)*: Shifts vacancy savings for a consultant study of Code Enforcement Fee programs with a special focus on the Multiple Housing Occupancy Permit Program.

GRANTS/REIMBURSEMENTS/FEEES

- A series of revenue-supported adjustments totaling \$3.6 million with a corresponding expenditure increase of \$3.5 million are recommended to reflect new or updated revenues and expenditures for grants, reimbursements, and/or fee activities. The largest adjustments in this category include actions to recognize and appropriate funding to support the following: Ice Centre Expansion Project to allow the Public Works Department to provide construction oversight of the expansion (\$1.6 million in revenues offset by \$1.5 million in expenditures); T-Mobile Macro Site development (\$1.0 million); reimbursements to the Fire Department for Strike Team deployment (\$206,000); reimbursements to the Police Department from the Santa Clara Valley Water District to support the Stream Stewardship Law Enforcement Program (\$200,000); CalVIP Trauma to Triumph Grant funding to the Parks, Recreation and Neighborhood Services Department to provide hospital-based violence intervention services to at-risk youth (\$156,000); and for Sidewalk Repairs requested from property owners (\$100,000).

CLEAN-UP ACTIONS

- ***Salary and Benefits Program (\$0)***: Several actions are recommended to increase various department Personal Services appropriations to fund the non-pensionable increase and general wage increase that was negotiated and agreed to by the City for the Peace Officer Park Ranger Association (POPRA); for Management Pay for Performance Program (MPP) costs; and for health benefit increases. The negotiated POPRA agreement was reached after the adoption of the budget. Adjustments were included for those departments that are not able to absorb these

additional costs (\$3.0 million all funds; \$2.6 million General Fund). To offset these augmentations, this document includes recommendations to partially decrease the Salaries and Benefits Reserve allocation in the General Fund that was set aside for these increases in the 2020-2021 Adopted Budget, and to reduce the Ending Fund Balances in the Special Funds as appropriate.

- ***Voluntary Furlough/Reduced Work Week Program (\$0):*** Adjustments to various departments' Personal Services appropriations reflect implementation of the Voluntary Furlough/Reduced Work Week Program in 2020-2021. Savings in the General Fund of \$145,000 will be generated from employees taking unpaid time off (up to 45 hours) without the loss of accrued benefits (vacation, sick leave, and seniority) or reducing their weekly scheduled hours by as much as eight hours per week during the year. As discussed earlier, this savings level is \$155,000 less than the \$300,000 that the 2020-2021 Adopted Budget estimated that this program would yield and was temporarily funded from the General Fund Salaries and Benefits Reserve. The actions reflected in this report remove the actual savings of \$145,000 from the departmental budgets and restore the funding to the Salaries and Benefits Reserve.
- ***Various Net-Zero Adjustments (\$0):*** To implement a variety of clean-up actions, several technical and net-zero adjustments are recommended, including the reallocation of funding between departmental expenditures, City-Wide Expenses, and revenue categories.

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

A comprehensive review of the special and capital funds as well as the capital projects is conducted as part of the 2020-2021 Mid-Year Budget Review. Overall, the special and capital funds are generally tracking within estimated levels through December, with some exceptions as described below. Section II of this report contains the status of selected special and capital funds with issues of interest or variances.

Special Funds

Airport Funds

Through December, the Airport has enplaned and deplaned 1.6 million passengers, a decrease of 80.2% compared to the same period last fiscal year (8.3 million passengers), and worse than the projected decline of 60% in passengers in 2020-2021; however, passenger operations (takeoffs and landings) are generally in line with expectations with a 62.1% decline from the prior year. In calendar year 2020, the Airport enplaned and deplaned 4.7 million passengers, which is down 10.9 million passengers, or 69.9%, from the peak of 15.7 million passengers served in calendar year 2019. While the lower than anticipated passenger levels impacts are negatively impacting Parking and Roadway collections and Passenger Facility Charge (PFC) revenue, other categories such as Landing Fees, Terminal Rentals, and Terminal Concessions are tracking to meet or exceed budgeted estimates.

The environment created by the pandemic has been unprecedented, volatile, and challenging for the aviation industry. The Airport continues to work with their tenants to help mitigate negative economic impacts by providing financial relief to concessionaires and on-airport rental car companies recently approved by City Council to be extended through June 30, 2021.

The total 2020-2021 budgeted revenue estimate of \$186.3 million includes \$31.7 million of federal CARES Act funding to partially offset decreased revenue resulting from reduced passenger levels and associated closure of food and beverage concession locations. The CARES Act allocated a total of \$65.6 million to the Airport to be used to pay for costs associated with airport operations. The 2020-2021 Modified Budget includes \$31.7 million of CARES Act monies in the Airport Revenue Fund and \$8.3 million in the Airport Customer Facility and Transportation Fee Fund. An additional \$25.6 million is currently unallocated, but is available to continue to provide support as needed.

General Purpose Parking Fund

The continuing impact of the pandemic has significantly impacted collections from parking operations. This fiscal year, parking garages and meters were free for July 2020; the resumption of fees started on August 3, 2020. To minimize the economic impact to customers during the ongoing pandemic, off-street garages now offer 90 minutes of free parking, and at this time there are no plans to reduce or make any changes to the 90 minutes of free parking. Charges for on-street meters are only taking place in the Downtown Core; parking remains free in the East Santa Clara, Old Civic Center, and Japantown zones.

As a result of the impacts discussed above, through the first half of 2020-2021, collections from parking garages and meters totaled \$2.4 million, which is 26.9% of the 2020-2021 Modified Budget estimate of \$9.0 million. This collection level is 61.6% below prior year collections of \$6.3 million for the same period. As the current level of parking activity and corresponding collections is not expected to significantly increase for the remainder of the fiscal year, it is anticipated that revenues from parking garages and meters will total \$6.3 million, which is \$2.7 million less than the budgeted level. This revised revenue estimate represents a 67% reduction from 2018-2019 actuals and will be addressed by a transfer from the General Purpose Parking Capital Fund, offset by a corresponding reduction to the SAP/Diridon Area Parking and Infrastructure Reserve (currently \$16.2 million).

Transient Occupancy Tax Fund, Convention and Cultural Affairs Funds, Convention Center Facility District Funds

Revenue estimates included in the 2020-2021 Adopted Budget assumed considerable declines in the Transient Occupancy Tax (TOT) and Convention Center Facility District (CCFD) Special Tax revenues due to COVID-19's impacts on business and leisure travel, convention activity, and other public events; with collection levels not beginning to recover until the second half of 2020-2021. However, revenue levels and key performance indicators have continued to underperform these lowered expectations, requiring forecast adjustment. Staff reengaged Team San Jose and external consultant Tourism Economics in October and November to revisit forecasts based on latest available data.

Through December 2020, the average hotel occupancy rate reported for the San José market was 36.7%, a significant drop from the 74.1% from the same period in 2019-2020. Average room rates also decreased by 46.9%, from \$191.50 to \$101.70, and the year-to-date average revenue-per-available room (RevPAR) decreased 73.7%, from \$141.96 to \$37.33, relative to the same period in 2019-2020. Moreover, this suppressed performance is unlikely to improve in the near-term due to the continued presence of the pandemic. Recommended adjustments in the Transient Occupancy Tax Fund proportionally reduce Cultural Grants, Convention and Visitors Bureau (CVB), and Team San Jose operating assistance by the \$5.2 million revenue reduction, from \$13.5 million to \$8.3 million, in accordance with the formula included in the Municipal Code.

In the Convention and Cultural Affairs Funds, the reduced transfer from the TOT Fund (\$2.35 million) is primarily addressed by transferring in the remaining available funding previously identified to support capital improvements from the Convention and Cultural Affairs Capital Fund. However, because the prolonged facility closures are now expected to persist through June and have essentially eliminated the ability to generate operating revenue from the Convention Center and other cultural facilities, the costs to support Team San Jose (the City's third-party operator) will increase, even though Team San Jose has previously engaged in extensive cost-cutting and multiple rounds of layoffs. Actions are included to increase support for Team San Jose operations by \$1.8 million, from \$6.6 million to \$8.4 million, which is reflective of baseline service levels to keep the facilities operational and prepare for eventual re-opening in 2021-2022, offset by a reduction to the Unrestricted Ending Fund Balance (\$1.5 million) and reduction to the incentive fee payment attributable to prior year performance (\$250,000) as the pandemic did not allow for performance targets to be met.

Finally, the impact of reduced revenues in the CCFD Revenue Fund of \$3.5 million, from \$8.0 million to \$4.5 million, is addressed by several actions. The first is to receive a transfer of remaining available funding previously identified to support capital improvements from the CCFD Capital Fund (\$1.7 million). To close the remaining gap and to provide excess capacity to ensure that the fund is better positioned for 2021-2022, the remaining debt service payments on commercial paper associated with previous improvements to the Convention Center Exhibit Hall and the purchase of the South Hall site totaling \$3.1 million is recommended for deferral until 2021-2022. Given the extremely low interest rates within the Commercial Paper Program, the deferral of principal will result in the City incurring an additional \$23,000 in interest costs in subsequent years, as opposed to the approximately \$50,000 that would result if the City engaged in an interfund loan.

Capital Funds

Following is a discussion of the major revenues that support the capital program and the major capital program expenditure revisions recommended in this report.

Construction-Related Revenues

Private sector construction activity constitutes a significant source of tax revenues that are reinvested back into the City's transportation system infrastructure. As described in the "Economic Environment" section of this message, overall year-to-date development activity is

31% lower than the prior fiscal year, as anticipated as part of the 2020-2021 Adopted Budget. The following is a discussion of the performance for the Building and Structure Construction Tax and Construction Excise Tax, the two largest construction-related revenue sources that also provide the majority of the City's local contributions to the Traffic Capital Program. These taxes are also an indicator of future activity for several other categories, such as the storm and sanitary sewer system fees.

- ***Building and Structure Construction Tax*** – Building and Structure Construction Tax receipts totaled \$16.9 million through December, which is 89.1% of the 2020-2021 Adopted Budget estimate of \$19.0 million, reflecting higher than anticipated commercial development permit activity. This collection level is 5.7% (\$917,000) above prior year collections of \$16.0 million for the same period. While the pace of activity has slowed somewhat in November and December when compared to earlier in the fiscal year, adjustments are recommended to increase the budgeted estimate by \$6.0 million, from \$19.0 million to \$25.0 million.
- ***Construction Excise Tax*** – Construction Excise Tax receipts totaled \$12.4 million through December, 88.6% of the 2020-2021 Adopted Budget estimate of \$14.0 million, also reflecting higher than anticipated commercial development permit activity. This collection level is 17.9% (\$1.9 million) above prior year collections of \$10.5 million for the same period. While the pace of activity has slowed somewhat in November and December when compared to earlier in the fiscal year, adjustments are recommended to increase the budgeted estimate by \$7.0 million, from \$14.0 million to \$21.0 million.

Construction and Conveyance Taxes

A total of 17 Construction and Conveyance (C&C) Tax Funds are budgeted throughout the Capital Budget. Most of these funds (13) support the Parks and Community Facilities Development Capital Program, with the remaining four funds supporting the Public Safety Capital Program, Library Capital Program, Service Yards Capital Program, and Communications Capital Program.

Nearly 99% of the total C&C Taxes are comprised of conveyance receipts, a tax based on the value of property transfers. The 2020-2021 Adopted Capital Budget was built on the assumption that C&C Tax receipts would drop significantly in 2020-2021 due to the pandemic and uncertainty regarding its long-term effect on the local real estate market, which is the primary driver of this revenue source. However, while collections were suppressed when the shelter-in-place began, beginning in the early fall receipts have experienced year-over-year growth. Based on performance through the first half of the fiscal year, collections in 2020-2021 are anticipated to exceed the budgeted estimate by \$10.0 million (33%) and reach \$40.0 million. Therefore, a recommendation to increase the 2020-2021 C&C Tax estimate from \$30.0 million to \$40.0 million is included in this report. The \$10.0 million increase to the C&C Tax revenue estimate would be distributed as follows: Parks C&C Tax allocation (\$6.4 million), Library C&C Tax allocation (\$1.4 million), Service Yards Tax allocation (\$878,000), Fire C&C Tax allocation (\$840,000), Communications C&C Tax allocation (\$340,000), and Park Yards C&C Tax allocation (\$120,000). The additional revenue is recommended to be placed in the Ending Fund Balance of each respective fund for future allocation.

Major Capital Program Expenditure Revisions

A series of recommended Appropriation Ordinance and Funding Sources Resolution amendments to the Adopted Capital Budget are included in Section III of this report. Following is a summary of the most significant adjustments:

- ***Airport Capital Program*** – Recommendations are included to reallocate funding to align with Federal Aviation Authority (FAA) direction stating that CARES Act Relief funding is not eligible to pay for the same debt service obligations that are also funded with Passenger Facility Charge (PFC) revenue, which results in a reduction of PFC revenue transferred to the Airport Fiscal Agent Fund that was previously intended for debt service (\$8.2 million), offset by the allocation CARES funding to pay the remaining debt service. Funding is also included in the Airport Renewal and Replacement Fund for the Guadalupe Gardens Fencing project in the amount of \$1.0 million for site remediation and construction of perimeter fencing with a vehicle gate in the federally regulated area of Guadalupe Gardens.
- ***Traffic Capital Program*** – Recommendations are included to restore funding for the Pavement Maintenance – Complete Street Project Development project (\$1.0 million) that was eliminated during development of 2020-2021 Adopted Capital Budget in anticipation of revenue shortfalls due to the pandemic. This project can now be fully funded in 2020-2021 due to the higher than anticipated Construction Excise Tax revenues. The report also includes funding for the City’s portion of the cost sharing with a private developer for the Avenues Schools Safety Improvements project (\$1.0 million), which includes pedestrian and roadway safety improvements at the intersection of Race Street and Parkmoor Avenue.
- ***Municipal Improvements and Public Safety Capital Programs*** – Recommendations are included to restore Measure T funding in the amount of \$3.0 million to the Environmental Protection Projects appropriation by reducing the budget for the Emergency Operations Center (EOC) Relocation project. Staff expected project savings from the Coyote Valley land acquisition and reallocated it to the EOC Relocation project during the development of the 2020-2021 Adopted Capital Budget. Funds are recommended to be restored back to the original budget since the demolition costs for the Coyote Valley land acquisition are higher than expected and the construction award for the EOC Relocation project was lower than budgeted. This adjustment was anticipated prior to the recent contract award for the construction of the EOC/Fire Department Training Center.

SERVICE AND ORGANIZATIONAL IMPACTS FROM THE PANDEMIC

The traditional role of the Mid-Year Budget Review is to assess the budgetary status and health of the City’s numerous funds and recommend adjustments to the City Council to reconsider revenue estimates, correct for problems, or otherwise reallocate funds to meet previously-approved City Council direction. However, as the budget is also a document that allocates resources to meet service level expectations, meet performance benchmarks, implement programs, and complete projects, the below discussion summarizes some of the challenges the City has faced in this extraordinary year that have significantly impacted service delivery. In consideration of the below

discussion, a number of new or continuing programs and projects included in the 2020-2021 Adopted Budget will likely not be completed within their original timelines or, for continuing services, will not meet previously set benchmarks.

- *Working Environment.* Since the institution of public health orders, roughly 40% of full-time City employees are working primarily from home, with the remaining 60% in a City facility, the field or deployed in the community to continue essential service delivery. For those teams working remotely, this has required revisions and re-imagining of normal workflow for how administrative, support, and direct services are provided. Ensuring the safety of employees and members of the public while providing services have made delivery more complex.
- *Status of Services.* The quantity of services delivered has shifted over the course of the pandemic. Nearly 50% of services continued with little or no interruption, including public safety and emergency response services; utility services; airport operations; internal financial, human resource, information technology and facility support functions; and strategic leadership and management support. Other City services have taken time to restore with re-imagined service delivery and safety enhancement. Approximately 25% of these services are now fully operational, and another 20% are mostly restored. Roughly 5-10% of City services remain suspended, most of which were suspended or assumed at reduced capacity during the budget process – Family Camp, Aquatics, Happy Hollow Park & Zoo, leisure recreational programming, public access to library buildings and collections – and those that typically involve close customer interactions, such as in-person Development Services and Cashiering. While the 2020-2021 Adopted Budget assumed some levels of service reductions in these categories, the breadth and length of suspension is greater than originally anticipated.
- *Redeployment of Staff to the Emergency Operations Center (EOC).* As has been reported during the City Manager’s regular updates to the City Council on the status of the pandemic and the state of the City’s response, an enormous amount of City staff have been redeployed to the EOC. The EOC has currently has 645 staffed positions, up from the approximately 400 positions in the early fall of 2020. While employees have been pulled from across the organization, PRNS, Transportation, Environmental Services, Library, Public Works, and the City Manager’s Office have been some of the largest contributors. Approximately 26% of EOC positions are filled with department leadership staff. The ongoing impact of employee redeployment to the EOC that includes a large percentage of departmental leadership – as is appropriate to respond to this unprecedented pandemic – has limited organizational capacity to sustain normal service levels and engage in new initiatives.

As we have worked to address the pandemic’s service impacts and organizational change, the importance of ensuring that our limited resources are deployed to their highest and best use has never been more important, especially as the City begins the 2021-2022 budget development facing another significant General Fund shortfall. To assist with this prioritization, a discussion with the City Council on the 2021-2022 City Roadmap is anticipated at the end of February, which will be used as an input in the budget development process.

PUBLIC OUTREACH/INTEREST

This report is posted on the City's website for the February 9, 2021 City Council meeting.

COORDINATION

This report was coordinated with the various City Departments and City Council Appointees.

COMMISSION RECOMMENDATION/INPUT


This report was not coordinated with any board or commission.

CONCLUSION

Through December, the City's over 130 operating and capital funds are generally performing within expected levels, though the impacts from the pandemic have disproportionately impacted several funds. As part of the Mid-Year Budget Review, budget adjustments are recommended in the General Fund and special and capital funds to bring projected revenues and expenditures into closer alignment based on performance through the first half of the fiscal year, to account for updated cost projections, to implement technical adjustments, to recognize various grants, reimbursements, and fees, and to add funding for a limited number of new projects.

The adjustments brought forward in this report reflect the Administration's best estimate of the financial performance of the City's funds based on activity through the first half of the fiscal year. However, the impacts from the pandemic are expected to be felt for the remainder of this fiscal year and into the next and the City will need to remain prepared to adjust further if necessary.

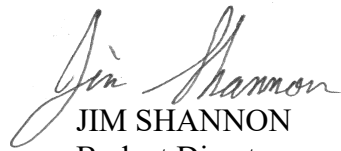
The Administration will continue to closely monitor performance and provide status reports on the City's budget through the Bi-Monthly Financial Reports. These reports will highlight any significant developments as well as identify any potential budget actions necessary to ensure the City's funds remain in balance by year-end. Diligent monitoring, continued budgetary discipline, and timely actions are critical components to maintaining the City's fiscal health, especially as the City is preliminarily projected to face a significant General Fund shortfall for 2021-2022.



JIM SHANNON
Budget Director

Certification of Funds

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in fiscal year 2020-2021 monies in excess of those heretofore appropriated therefrom:

Airport Revenue Fund	138,000
Benefit Funds – Benefit Fund	140,000
Benefit Funds – Dental Insurance Fund	1
Benefit Funds – Self-Insured Medical Fund	50,000
Building and Structure Construction Tax Fund	7,000,000
Communications Construction and Conveyance Tax Fund	340,000
Construction Excise Tax Fund	7,832,218
Council District 1 Construction and Conveyance Tax Fund	531,000
Council District 2 Construction and Conveyance Tax Fund	243,000
Council District 3 Construction and Conveyance Tax Fund	221,000
Council District 4 Construction and Conveyance Tax Fund	181,000
Council District 5 Construction and Conveyance Tax Fund	557,000
Council District 6 Construction and Conveyance Tax Fund	501,000
Council District 7 Construction and Conveyance Tax Fund	494,000
Council District 8 Construction and Conveyance Tax Fund	352,000
Council District 9 Construction and Conveyance Tax Fund	385,000
Council District 10 Construction and Conveyance Tax Fund	162,000
Edward Byrne Memorial Justice Assistance Grant Trust Fund	290,569
Fire Construction and Conveyance Tax Fund	840,000
General Fund	6,690,823
Gift Trust Fund	25,000
Home Investment Partnership Program Trust Fund	636,840
Housing Trust Fund	1,765,000
Ice Centre Revenue Fund	120,000,000
Library Construction and Conveyance Tax Fund	1,422,000
Multi-Source Housing Fund	7,013,000
Park Yards Construction and Conveyance Tax Fund	120,000
Parks Central Construction and Conveyance Tax Fund	6,400,000
Parks City-Wide Construction and Conveyance Tax Fund	1,813,003
Planning Development Fee Program Fund	500,000
Service Yards Construction and Conveyance Tax Fund	878,000


JIM SHANNON
Budget Director



2020-2021

MID-YEAR
BUDGET
REVIEW



SECTION
I

**GENERAL FUND
STATUS REPORT**



**2020-2021
MID-YEAR BUDGET REVIEW**

I. GENERAL FUND STATUS REPORT

At mid-year, the City Manager’s Budget Office conducts a comprehensive review of expenditure and revenue performance in the General Fund through the first six months of the fiscal year. This section of the report is intended to summarize the results of that review. The section is organized as follows:

- A. **Status of General Fund Revenues** – The mid-year status of General Fund revenue collections is discussed at the revenue category level in this section. Included is a discussion of proposed revenue revisions for each revenue category.

- B. **Status of General Fund Expenditures** – The status of overall General Fund expenditures is provided. Included is a discussion of the Police Department, Fire Department, and non-departmental expenditures.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

OVERVIEW

General Fund revenues through December totaled \$464.7 million, or 36.2% of the budgeted estimate. The COVID-19 pandemic and the resulting Santa Clara County health orders continue to have a significant impact on General Fund resources; therefore based on information known at this point of the year, existing revenues are anticipated to end the year approximately \$5 million - \$10 million below budgeted levels (variance of approximately 1% when excluding the Beginning Fund Balance). This variance is inclusive of Real Property Transfer Tax revenues, which are allocated for affordable housing and homelessness prevention purposes. Setting these revenues aside, the variance increases to \$15 - \$20 million below budgeted levels. Revenues that are performing below anticipated levels include Fees, Rates, and Charges, Property Tax, Transient Occupancy Tax, Business Taxes, and Fines, Forfeitures and Penalties. Partially offsetting the declining revenues is higher than anticipated Sales Tax and Real Property Transfer Tax receipts. Revenue adjustments are included in the Mid-Year Budget Review to align the budgeted estimate with anticipated receipts, which are further described on the following pages.

The following table details actual 2020-2021 General Fund revenue collections through December as compared with budgeted revenue estimates and 2019-2020 actual collections for the same time period in the previous year. Also included are changes to each category that are recommended as part of this report.

2020-2021 General Fund Revenue Status through December (\$ in Thousands)

Category	Budget Estimate	YTD Actual	% of Estimate	2019-2020 % of Actual	Proposed Changes
General Revenue					
Property Tax	\$ 370,500	\$ 1,706	0.5%	24.0%	\$ (9,000)
Sales Tax	242,500	100,977	41.6%	32.2%	20,000
Telephone Line Tax	20,000	8,170	40.9%	36.9%	-
Transient Occupancy Tax	9,000	1,912	21.2%	52.2%	(3,500)
Real Property Transfer Tax	30,000	22,523	75.1%	N/A	10,000
Franchise Fees	45,921	17,938	39.1%	45.9%	-
Utility Tax	95,800	36,260	37.8%	40.6%	-
Business Taxes	63,900	33,876	53.0%	52.9%	-
Licenses and Permits	19,894	15,060	75.7%	67.4%	-
Fines, Forfeitures, and Penalties	9,730	3,607	37.1%	54.6%	-
Use of Money and Property	11,770	4,854	41.2%	50.7%	-
Revenue from Local Agencies	22,831	4,176	18.3%	45.1%	460
Revenue from the State of California	14,565	276	1.9%	36.9%	573
Revenue from Federal Government	7,586	192	2.5%	13.6%	273
Fees, Rates, and Charges	25,576	2,097	8.2%	53.3%	(17,000)
Other Revenue	175,466	136,687	77.9%	61.5%	2,045
Sub-Total General Revenue	1,165,039	390,311	33.5%	37.1%	3,851
Transfers and Reimbursements					
Overhead Reimbursements	69,198	53,630	77.5%	79.1%	-
Transfers	33,738	15,007	44.5%	30.2%	2,840
Reimbursements for Services	15,746	5,719	36.3%	36.4%	-
Sub-Total Transfers and Reimbursements	118,682	74,356	62.7%	56.8%	2,840
TOTALS	\$ 1,283,721	\$ 464,667	36.2%	38.9%	\$ 6,691

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

OVERVIEW

As discussed in previous Bi-Monthly Financial Status Reports, in Silicon Valley economic conditions drastically changed as a result of the shelter-in-place order that was issued in Santa Clara County in March 2020. To comply with the order, a significant portion of economic activity was severely restricted, which has had deep impacts to many of the economically sensitive revenues in the General Fund. Though conditions improved in the summer and early fall, year-over-year unemployment levels and consumer confidence levels have significantly worsened, and the recent surge in COVID-19 cases will continue to negatively impact revenue collections. While the 2020-2021 Adopted Budget anticipated many of these impacts, several revenue categories are performing below the reduced levels.

Through the first half of the fiscal year, while a majority of General Fund revenues are performing at anticipated levels, there are several exceptions. Fees, Rates and Charges (-\$18 million - \$19 million), Property Tax (-\$9 million), Transient Occupancy Tax (-\$3.5 million), Business Taxes (-\$2 million), and Fines, Forfeitures and Penalties (-\$1 million - \$2 million) are tracking to end the year below the budgeted estimate; however, Sales Tax (\$20 million) and Real Property Transfer Tax (\$10 million) revenues are anticipated to end the year above the budgeted estimate. It is important to note that all revenue associated with the Real Property Transfer Tax will be allocated to affordable housing and homeless prevention activities in accordance with City Council Policy 1-18, Section 22. Budget adjustments to several of these revenue categories are included in this document, and are further discussed below. While budget adjustments are not recommended for all revenue categories with variances, the Administration will continue to closely monitor all revenues provide updates as part of future Bi-Monthly Financial Status Reports and the 2021-2022 budget process.

Recommended Adjustments

As described below, revenue adjustments totaling \$6.7 million are recommended in this document to accomplish the following actions: (1) implement required technical/rebalancing adjustments; and (2) account for additional new revenue from grants, reimbursements, and fees available to fund additional related expenditures.

- Implement required technical and rebalancing actions to revise revenue estimates in limited areas to bring estimates in line with revised projections (net increase of \$3.1 million). Significant actions include:
 - Increase the Sales Tax estimate by \$20.0 million (from \$242.5 million to \$262.5 million), to reflect higher than estimated General Sales Tax revenue. The first quarter Sales Tax payment was received in November 2020, which reflected July-September activity. The Sales Tax revenue reflected a decrease of 5.5% from the prior year collections; however, the 2020-2021 Adopted Budget allows for a 9% drop from prior year collections. Based on information known at this point in the year, Sales Tax revenue is anticipated to exceed the budget by approximately \$20 million, totaling \$212 million in 2020-2021. When excluding proceeds

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

OVERVIEW

from the Revenue Capture Agreement, which did not take effect until October 2019, the revised estimate for General Sales Tax collections is 6.4% below 2019-2020 collections.

- Increase the Real Property Transfer Tax revenue estimate by \$10.0 million (from \$30.0 million to \$40.0 million), to reflect higher than anticipated collections. All funds related to the Real Property Transfer Tax revenue is allocated to homeless prevention and affordable housing projects and programs. Therefore, corresponding increases to homeless prevention and affordable housing expenditure appropriations are also recommended in this report to offset the increased tax revenue.
- Decrease the Fees, Rates, and Charges estimate by \$17.0 million (from \$25.6 million to \$8.6 million), to reflect reduced Parks, Recreation, and Neighborhood Services (PRNS) Fee revenue. Due to the shelter-in-place mandate, minimal PRNS programming is currently occurring, which will result in a loss of approximately \$17 million in fee revenue. An expenditure adjustment of \$4.0 million to the PRNS Fee Activity appropriation is also recommended in this report.
- Decrease the Property Tax estimate by \$9.0 million (from \$370.5 million to \$361.5 million), to reflect lower estimated Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax receipts (\$10.0 million), partially offset by higher Unsecured Property Tax receipts (\$1.0 million).
- Decrease the Transient Occupancy Tax estimate by \$3.5 million (from \$9.0 million to \$5.5 million), to align the budgeted estimate with anticipated receipts. Transient Occupancy Tax revenue is continued to be extremely impacted by the shelter-in-place mandate, which is decimating hotel occupancy rates.
- Recognize grant, reimbursement, and/or fee related funds (\$3.6 million). Significant actions include:
 - Recognize a transfer from the Ice Centre Revenue Fund to pay for Public Works construction oversight of the Ice Centre Expansion Project (\$1.6 million); recognize revenue for T-Mobile Macro Site Permitting (\$750,000) and T-Mobile Macro Site Process Reimbursements (\$250,000); recognize revenue from the Santa Clara Valley Water District for the Stream Stewardship Law Enforcement program (\$200,000); recognize revenue from the State of California for the Trauma to Triumph program (\$249,000); and recognize revenue from the State of California for Strike Team reimbursements (\$206,000).

Additional detail on all General Fund revenue adjustments can be found in Section III of this document. The following discussion highlights major General Fund activities through December in various revenue categories.

**2020-2021
MID-YEAR BUDGET REVIEW**

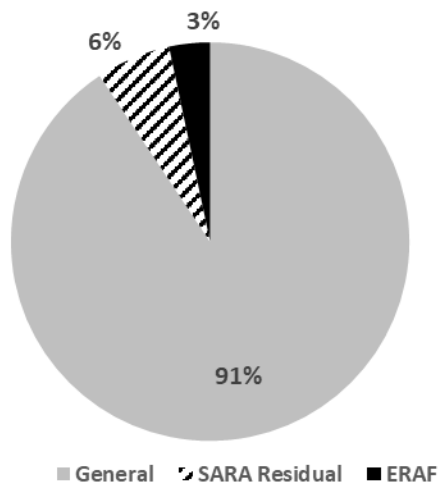
STATUS OF GENERAL FUND REVENUES

PROPERTY TAX

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$370,500	\$1,706	0.5%	24.0%	(\$9,000)

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner’s Property Tax Relief. Overall, Property Tax revenues are projected to fall short of the budgeted estimate by approximately \$9 million based on the most recent information received from the State of California and Santa Clara County. As the result of a State of California Appellate Court decision, the distribution formula related to all California residual property tax revenue from former Redevelopment Agencies has been changed, resulting in a loss of approximately \$10 million in 2020-2021 (from \$21 million to \$11 million) to the City of San José. Partially offsetting the declining Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax, is an additional \$1 million that is anticipated to be received for Unsecured Property Tax collections (from \$13 million to \$14 million). As a result, a recommendation is included in this report to decrease the Property Tax revenue estimate by a net of \$9.0 million (from \$370.5 million to \$361.5 million) to more closely align the Property Tax budget with estimated receipts. Each of the Property Tax sub-categories are further described below.

2020-2021 Secured Property Tax



Secured Property Tax represents over 90% of the revenue in the Property Tax category. The Secured Property Tax category includes general Secured Property Tax, SARA Residual Property Tax, and Educational Revenue Augmentation Fund (ERAF) revenues. The 2020-2021 Secured Property Tax budgeted estimate of \$347.5 million was built on assumed growth of 5.5% for general Secured Property Tax receipts (\$315.0 million), \$21.0 million for SARA Residual Property Tax revenue, and estimated revenue of \$11.5 million for ERAF receipts. As mentioned above, as

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

PROPERTY TAX

the result of a change in the distribution formula, the SARA Residual Property Tax revenue is anticipated to fall approximately \$10 million below the budgeted estimate. To more closely align the budgeted estimate with the anticipated collection level, a recommendation is included in this report (as described in *Section III. Recommended Budget Adjustments and Clean-up Action*) to decrease the Secured Property Tax estimate by \$10.0 million.

The general Secured Property Tax budgeted estimate totals \$315.0 million in 2020-2021, which assumes growth of 5.5% from the 2019-2020 collection level. This growth primarily reflects an increase in assessed value due to the California Consumer Price Index (CCPI) increase of 2% and increased valuation due to changes in ownership or new construction. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment.

As a result of the SARA bond refunding that occurred in December 2017, the City began receiving a residual property tax distribution in 2017-2018. As previously discussed, in 2020-2021 receipts are anticipated to fall approximately \$10 million below the budgeted estimate (from \$21 million to \$11 million) as the result of a change in the residual property tax distribution formula. Of this amount, approximately \$7 million represents prior year receipts that must be repaid and \$3 million reflects the lower 2020-2021 collection level (which represents an ongoing reduction that will continue in future years). As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), a recommendation is included in this report to decrease the SARA Residual Property Tax revenue by \$10.0 million to more closely align the revenue with the anticipated collection level.

Beginning in 1992, agencies are required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. Once there are sufficient funds in ERAF to fulfill obligations, the remainder of the funding is returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. Due to changes that may be implemented by the State regarding the calculation of ERAF, the 2020-2021 budget of \$11.5 million reflects a 50% decline from the 2019-2020 collection level. As additional information is received regarding ERAF calculations, updates will be reported as part of future Bi-Monthly Financial Reports and the 2021-2022 Proposed Operating Budget.

The 2020-2021 Adopted Budget estimate for **Unsecured Property Tax** collections total \$13.1 million. Typically, a majority of the revenue for this category is received in October of each year; however, due to the COVID-19 pandemic, payments have been slightly delayed and no revenue has been received for this category through December. Based on information provided by Santa Clara County, it is anticipated revenues will end the year over \$14 million, which is approximately \$1 million above the budgeted level of \$13.1 million. As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), a recommendation is included in this report to increase the Unsecured Property Tax revenue by \$1.0 million to more closely align the revenue with the anticipated collection level.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

PROPERTY TAX

SB 813 Property Tax receipts (retroactive collections back to the point of sale for reassessments of value due to property resales) totaled \$1.7 million through December, which is 10.7% above the prior year level. The 2020-2021 Adopted Budget estimate of \$6.0 million is consistent with the 2019-2020 actual collection level and the preliminary 2020-2021 estimate from Santa Clara County.

The 2020-2021 Adopted Budget estimates for **Aircraft Property Tax** (\$3.0 million) and **Homeowner's Property Tax Relief** (\$900,000) are consistent with the 2019-2020 actual collection levels and the estimate provided by Santa Clara County.

SALES TAX

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$242,500	\$100,977	41.6%	32.2%	\$20,000

The Sales Tax category includes General Sales Tax, Local Sales Tax, and Proposition 172 Sales Tax. The 2020-2021 Adopted Budget for Sales Tax totals \$242.5 million, which allows for a 7% drop from the 2019-2020 collection level of \$260.6 million. It is important to note that 2019-2020 receipts only reflect three quarters of revenue associated with the Revenue Capture Agreement with eBay, Inc., as marketplace facilitators were not required to collect and remit sales tax until October 2019.

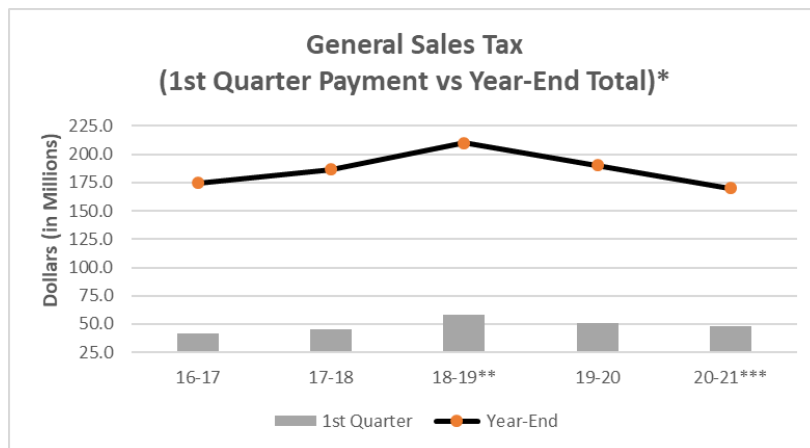
In March 2020, as the COVID-19 pandemic rapidly accelerated, the County of Santa Clara instituted a shelter-in-place order, which severely restricted economic activity. The shelter-in-place and subsequent public health orders has impacted almost all sectors of Sales Tax revenue, including retail sales, transportation, and business-to-business. The 2020-2021 Adopted Budget estimate of \$242.5 million assumes that Sales Tax revenue will continue to be suppressed through 2020-2021. Information related to Sales Tax payments are distributed from the California Department of Tax and Fee Administration (CDTFA) four times throughout the year: November (representing July-September activity), February (representing October-December activity), May (representing January-March activity), and August (representing April-June activity). In late November, the first Sales Tax payment was received from the CDTFA for both the General Sales Tax and Local Sales Tax, which totaled approximately \$60 million (excluding the Revenue Capture Agreement) and reflected a 5% decline from the first quarter payment received in 2019-2020.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

SALES TAX

While only one payment has been received this fiscal year, based on the performance for the final quarter of 2019-2020, the first payment receipts for 2020-2021, and with a full year of revenue associated with the Revenue Capture Agreement being received in 2020-2021, it is anticipated that Sales Tax will exceed the budgeted estimate by \$20 million. As a result, a recommendation is included in this report to increase the Sales Tax revenue estimate by \$20.0 million (from \$242.5 million to \$262.5 million) to more closely align the Sales Tax budget with estimated receipts. Following is a discussion of the three Sales Tax sub-categories: General Sales Tax, Local Sales Tax, and Proposition 172 Sales Tax.



General Sales Tax is the largest driver of the Sales Tax category and accounts for almost 80% of all Sales Tax receipts. The 2020-2021 General Sales Tax estimate was built on the assumption that 2019-2020 receipts would total \$201.0 million (including the Revenue Capture Agreement) and drop 4.5% to \$192.0 million in 2020-2021. However, since 2019-2020 receipts ended the year at \$211.0 million, receipts can drop by 9.0% and meet the budgeted estimate.

* Excludes the Revenue Capture Agreement

** Includes overpayment attributable to 2017-2018 activity

***2020-2021 Budgeted Estimate

The 2020-2021 General Sales Tax budgeted estimate assumed suppressed economic conditions with social distancing restrictions remaining through at least the first half of the year, which would limit sales activity. As previously mentioned, the first payment for Sales Tax revenue was received in late November 2020. General Sales Tax revenue totaled \$48.3 million (excluding the Revenue Capture Agreement), which represents a 5.5% decline from the first quarter payment in 2019-2020. After including the City's estimated portion of the Revenue Capture Agreement, General Sales Tax receipts total \$57.5 million, or approximately 30% of the 2020-2021 Adopted Budget estimate of \$192.0 million. Therefore, at this time, based on the performance for the final quarter of 2019-2020, the first quarter payment of 2020-2021, and with a full year of revenue associated with the Revenue Capture Agreement being received in 2020-2021, it is anticipated that General Sales Tax will exceed the budgeted estimate by approximately \$20 million. As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), a recommendation is included in this report to increase the General Sales Tax revenue by \$20.0 million (from \$192.0 million to \$212.0 million) to more closely align the revenue with the anticipated collection level. When excluding the proceeds from the Revenue Capture Agreement, which didn't take effect until October 2019, the revised estimate for General Sales Tax collections is approximately 6% below the 2019-2020 receipts.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

SALES TAX

The City’s Sales Tax consultant, Avenu Insights & Analytics, has provided performance data for General Sales Tax revenue, as displayed on the chart below. This analysis measures the first quarter General Sales Tax receipts for 2019-2020 and 2020-2021, excluding Sales Tax associated with the Revenue Capture Agreement.

**General Sales Tax Revenue Economic Performance
First Quarter Payment**

Category	2020-2021 % of Total Revenue	2019-2020 % of Total Revenue	% Change of Revenue Received by Category
Transportation	17.0%	18.9%	(17.5%)
General Retail	16.4%	19.2%	(21.5%)
Business-to-Business	16.1%	19.2%	(23.1%)
Food Products	12.1%	15.0%	(26.2%)
Construction	11.4%	10.1%	3.7%
Miscellaneous	0.5%	0.5%	(20.4%)
County Pool	26.5%	17.1%	42.0%
Total	100.0%	100.0%	(8.4%)

As can be seen in the table above, with the exception of Construction and the County Pool, all other categories have all experienced year-over-year declines. The categories most significantly impacted include Business-to-Business, Food Products, and General Retail, which includes Apparel Stores, Department Stores, Furniture/Appliance Stores, Drug Stores, Recreation Products, and Florist/Nurseries. However, the Construction category, which includes both wholesale and retail construction sales have experienced year-over-year growth. Additionally, the County Pool, which is where the majority of online transactions are captured, has experienced growth. This growth is attributable to the surge in online purchases during the pandemic, and facilitated by the South Dakota vs. Wayfair, Inc. Supreme Court decision in 2018, which provided states with the authority to require online retailers to collect sales tax even without a local presence in that State.

In June 2016, San José voters approved a ¼ cent **Local Sales Tax**, which was implemented in October 2016. Local Sales Tax is generated based on the destination of the purchased product; therefore, all out-of-state online retailers (including marketplace facilitators) sales tax collections are directly distributed to the City of San José, versus the General Sales Tax revenue that is deposited in the County Pool, where the City only receives approximately 40% of the proceeds. Due to this distinction, it was anticipated that the Local Sales Tax revenue may not be impacted as negatively in 2020-2021. The 2020-2021 Local Sales Tax estimate was built on the assumption that 2019-2020 receipts would total \$45.0 million and drop slightly to \$44.5 million in 2020-2021. However, since 2019-2020 receipts ended the year under budget at \$43.2 million, growth of 3.1% is needed in 2020-2021 to meet the budgeted estimate. As mentioned

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

SALES TAX

above, the first Sales Tax payment was received from CDTFA in late November 2020. Local Sales Tax receipts totaled \$11.6 million, which represents a 1.5% drop from the prior year level. Due to projected year-over-year growth anticipated for the final two payments of 2020-2021 (as 2019-2020 collections were low), it is anticipated Local Sales Tax revenue will meet or fall slightly below the budgeted estimate.

Proposition 172 Sales Tax collections represents the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs. Through December, the Proposition 172 Sales Tax receipts of \$2.8 million reflects growth of approximately \$550,000 from the prior year collection level. The 2020-2021 budgeted estimate of \$6.0 million allows for a 5.7%, or \$360,000, decline from the 2019-2020 collection level of \$6.4 million. It is currently anticipated that collections will meet or slightly exceed the budgeted estimate by year-end.

TRANSIENT OCCUPANCY TAX

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$9,000	\$1,912	21.2%	52.2%	(\$3,500)

The 2020-2021 Adopted Budget estimate for the General Fund **Transient Occupancy Tax (TOT)** allocation (40% of the total tax) totals \$9.0 million. The 2020-2021 TOT estimate was built on the assumption that 2019-2020 receipts would total \$13.5 million and decrease 33% to \$9.0 million in 2020-2021 due to ongoing impacts related to the COVID-19 pandemic. However, since 2019-2020 receipts ended the year at \$14.1 million, receipts can drop by 36% and meet the budgeted estimate. Through December, TOT receipts totaled \$1.9 million, which represents a 74.0% decline from the prior year collection level, illustrating the drastic contraction in hotel activity in response to the COVID-19 pandemic. Year-to-date revenues of \$1.9 million (21.2% of the budgeted estimate) are significantly underperforming relative to the historical average performance (36.1%) at this point in the fiscal year. The TOT revenue included in the 2020-2021 Adopted Budget assumed considerable declines attributable to COVID-19 impacts on business and leisure travel, convention activity, and other public events; with collection levels not beginning to recover until the second half of 2020-2021. Through December 2020, the average hotel occupancy rate reported for the San José market was 36.7%, a drop of 37.4 percentage points over the same period in 2019-2020 (74.1%). Average room rates also decreased by 46.9%, from \$191.50 to \$101.70, and the year-to-date average revenue-per-available room (RevPAR) decreased 73.7%, from

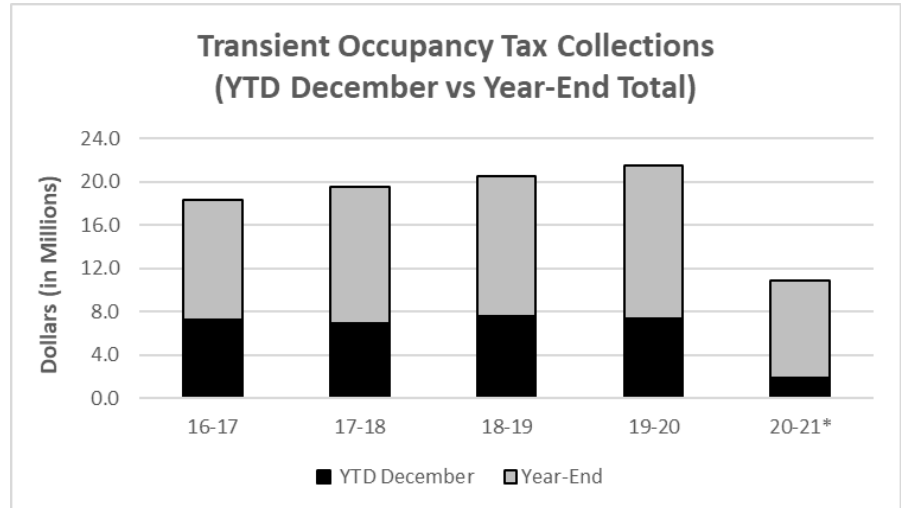
**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

TRANSIENT OCCUPANCY TAX

\$141.96 to \$37.33, relative to the same period in 2019-2020. Moreover, this suppressed performance is unlikely to improve in the near-term due to the resurgence of COVID-19 and the imposition of travel restrictions and regional stay-at-home orders.

Due to the low TOT performance through the first half of the fiscal year, and the assumption that short-term activity will continue at extremely suppressed levels, the 2020-2021 Mid-Year Budget



* 2020-2021 Budgeted Estimate

Review includes a recommendation to decrease the TOT budgeted estimate in the General Fund by \$3.5 million, from \$9.0 million to \$4.5 million. The revised budget represents a drop of nearly 80% when compared with 2018-2019 levels of \$20.5 million. Additional budgetary adjustments are also recommended in the TOT Special Fund, Convention and Cultural Affairs Funds, and the Convention Center Facilities District Funds, which are further discussed in *Section II, Selected Special/Capital Funds Status Report*.

FRANCHISE FEES

Revenue Status (\$ in Thousands)

	2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>	
\$45,921	\$17,938	39.1%	45.9%	\$0	

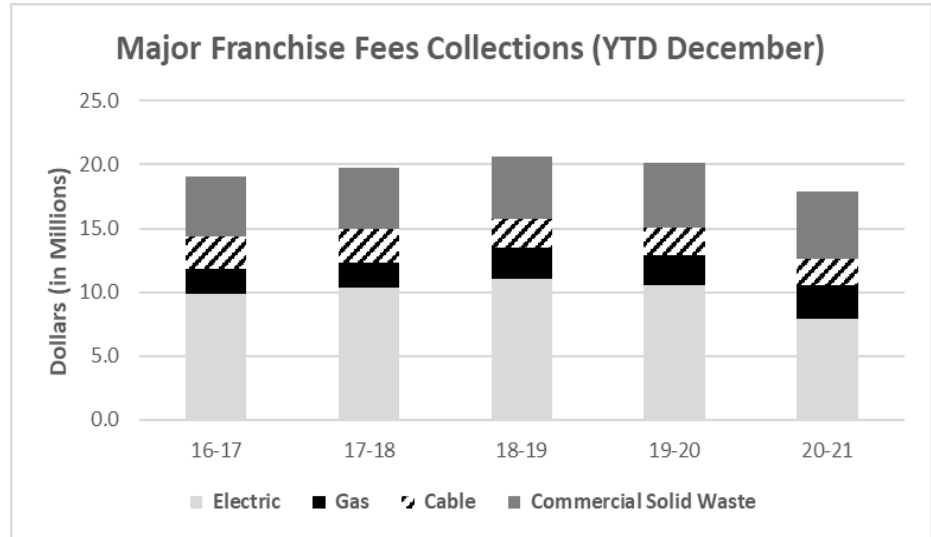
Franchise Fees are collected in the Cable Television, City Generated Tow, Commercial Solid Waste, Great Oaks Water, Nitrogen Gas Pipeline, PG&E Electric, and PG&E Gas categories. Through December, Franchise Fee receipts of \$17.9 million are 12.1% below the prior year collection level of \$20.4 million, which is primarily due to lower Electric Franchise Fee collections. As further discussed below, Electric

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

FRANCHISE FEES

Franchise Fees collected through December are formula driven advance amounts, with the true-up occurring in April 2021. Based on historical collection trends, it is currently anticipated that overall Franchise Fees will meet budgeted levels by year-end. Each of the Franchise Fees sub-categories are further described below.



Cable Television Franchise Fees

of \$2.1 million through December are \$129,000, or 5.8%, below the prior year level and reflect one quarter's payment. The 2020-2021 Adopted Budget estimate was built on the assumption that 2019-2020 revenues would total \$8.5 million and drop approximately 5% in 2020-2021. However, 2019-2020 collections were stronger than anticipated in the last half of the fiscal year, and ended the year at \$8.7 million. Therefore, the 2020-2021 budgeted estimate allows for a 7% decline from the prior year actual collections. Based on current collection trends and historical patterns, revenues are anticipated to slightly exceed the budgeted estimate by year-end.

The **Commercial Solid Waste (CSW) Franchise Fee** is a base fee of \$5.0 million per year for each of two geographic collection districts, plus a supplemental fee of \$1.0 million for the right to conduct CSW services in both the North District and the South District. CSW collections through December totaled \$5.2 million, which is approximately 4% above prior year receipts. Based on current collection trends and historical patterns, CSW revenue is anticipated to exceed the budgeted estimate by approximately \$650,000 by year-end.

Electric and Gas Franchise Fees provided by Pacific Gas & Electric (PG&E) are based on the revenues of that company in a calendar year (revenues in 2020-2021 are based on calendar year 2020). Collections through December of \$10.5 million reflect formula driven advance amounts; true receipts will not be known until April 2021. The 2020-2021 Adopted Budget for Electric Franchise Fees (\$20.0 million) requires growth of approximately 16% from the unusually low prior year collection level of \$17.3 million. However, the 2020-2021 Adopted Budget for Gas Franchise Fees (\$5.7 million) allows for a slight decline from the prior year collection level of \$5.9 million. Based on the current year performance of Electricity and Gas Utility Tax receipts, which generally have similar collection trends, it is anticipated the Electric and Gas Franchise Fees will meet or fall slightly below the budgeted estimate by year-end.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

FRANCHISE FEES

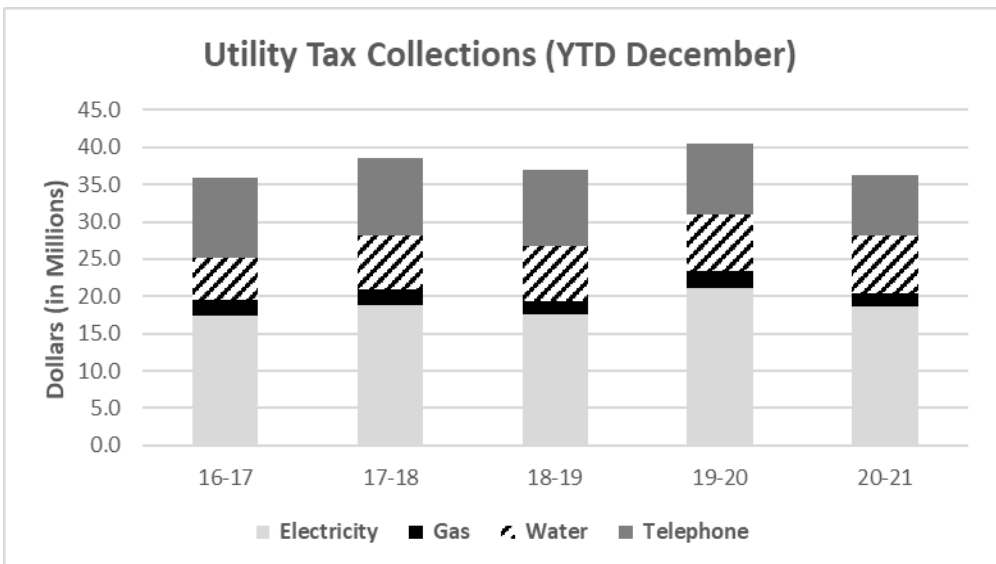
Remaining budgeted franchise fees include the **City Generated Tow Fees** (\$150,000), **Great Oaks Water** (\$260,000), and **Nitrogen Gas Pipeline** (\$65,000) categories. It is currently anticipated that the Nitrogen Gas Pipeline fees will meet the budgeted estimate by year-end. However, it is not anticipated any revenue will be received for City Generated Tow Fees in 2020-2021 due to the pandemic. Additionally, Great Oaks Water Franchise Fees are anticipated to end the year approximately \$50,000 below the budgeted estimate.

UTILITY TAX

Revenue Status (\$ in Thousands)

2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$95,800	\$36,260	37.8%	40.6%	\$0

The **Utility Tax** category includes the Electricity Utility Tax, Gas Utility Tax, Water Utility Tax, and the Telephone Utility Tax. Through December, Utility Tax receipts of \$36.3 million are \$4.2 million, or approximately 10%, below the prior year level, which is partially attributable to the timing of payments. The year-over-year drop is primarily due to lower Electricity Utility Tax, Gas Utility Tax, and Telephone Utility Tax receipts. The 2020-2021 Adopted Budget was built on the assumption that 2019-2020 Utility Tax revenue would end the year at \$96.1 million and then stay relatively flat at \$95.8 million in 2020-2021. However, since 2019-2020 ended the year at \$99.5 million, receipts can drop by 3.7% in 2020-2021 to meet the budgeted estimate. Based upon the



**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

UTILITY TAX

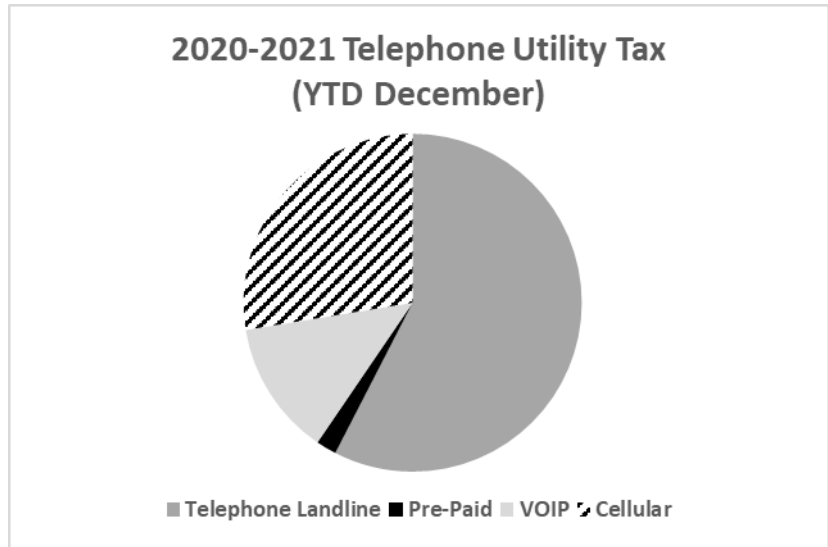
information known at this point of the year and historical collection patterns, it is anticipated that overall Utility Taxes may fall below the budgeted levels by approximately \$1 million by year-end.

In the **Electricity Utility Tax** category, collections through December totaled \$18.6 million, which is approximately 12% below the prior year level. This drop is due to lower usage and the timing of Electricity Utility Tax payments received. The 2020-2021 Adopted Budget assumed that 2019-2020 receipts would total \$46.5 million, and remain relatively flat at \$46.6 million in 2020-2021. However, since 2019-2020 ended the year above estimated levels (\$48.7 million), receipts can decline by 4.3% in 2020-2021 and meet the budgeted estimate. Based on the information known at this point of the year and historical collection trends, receipts are anticipated to meet or fall slightly below the budgeted estimate.

In the **Gas Utility Tax** category, receipts through December totaled \$1.8 million, which is approximately 21%, or \$500,000, below the prior year level. This drop is due to lower usage and the timing of Gas Utility Tax payments received. The 2020-2021 Adopted Budget estimate of \$11.3 million is fairly consistent with the 2019-2020 actual collection level of \$11.23 million. Based on historical collection trends and performance through December, receipts are anticipated to end the year slightly below the budgeted estimate. Gas Utility Tax revenue is predominantly collected during periods of cold weather, a large portion of this revenue will be collected the winter months.

In the **Telephone Utility Tax** category, revenues are collected on landlines, wireless, VoIP, and prepaid wireless services sold at retail locations. Through December, collections of \$8.2 million are 13.5% below the prior year level of \$9.4 million. Revenues in this category have been consistently decreasing in recent years, which reflects wireless consumers shifting to less expensive prepaid wireless plans, competition with cellular companies that keep prices down, and the shifting of wireless communications to increase reliance on data plans, which are not taxable. The 2020-2021 Adopted

Budget estimate of \$21.4 million allows for a 5.7% drop from the 2019-2020 actual collection level of \$22.7 million. Based on current collection trends, receipts in this category are anticipated to fall below the budgeted estimate by approximately \$1 million.



**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

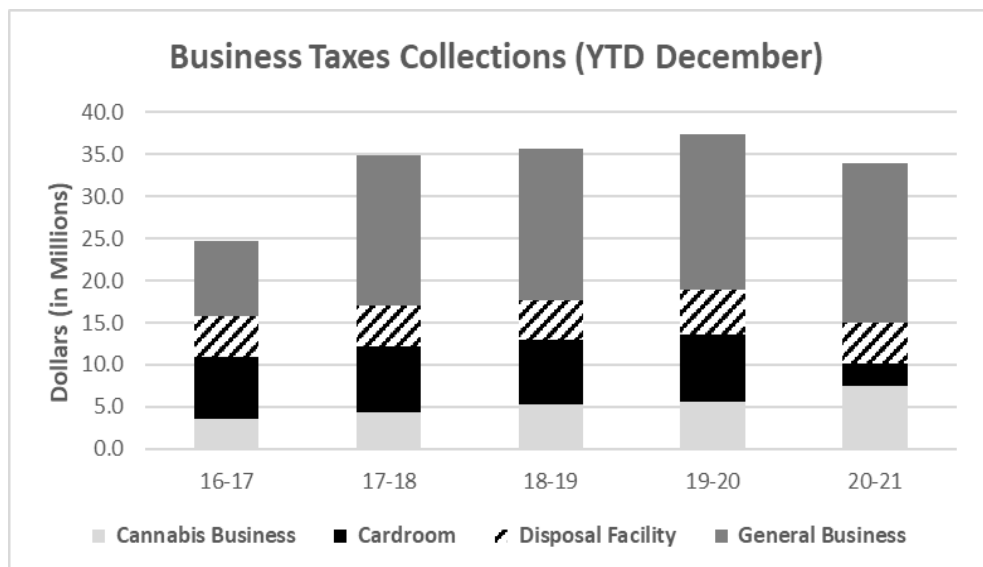
UTILITY TAX

Water Utility Tax collections of \$7.7 million through December are fairly consistent with the prior year collection level. The 2020-2021 Adopted Budget was built on the assumption that 2019-2020 collections would total \$16.5 million and remain flat in 2020-2021. However, since 2019-2020 receipts totaled \$16.9 million, receipts in 2020-2021 can decline by 2.4% and meet the budgeted estimate. Based on historical collection trends and performance through December, receipts are anticipated to meet or slightly exceed budgeted levels by year-end.

BUSINESS TAXES

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$63,900	\$33,876	53.0%	52.9%	\$0

The Business Taxes category consists of the Cannabis Business Tax, Cardroom Tax, Disposal Facility Tax, and General Business Tax. Through December, overall collections of \$33.9 million are 9.5% below the prior year collection levels of \$36.4 million, which is primarily attributable to lower Cardroom Tax revenue, partially offset by higher Cannabis Business Tax receipts. The Business Taxes 2020-2021 Modified Budget estimate of \$63.9 million allows for a 10% decline from the 2019-2020 actual collection level. As a result of Santa Clara County’s public health orders and the State of California’s regional stay-at-home order, cardroom operations were halted from November 30 to January 27. As a result, the Cardroom Tax will likely end the year below the budgeted estimate of \$8.6 million by approximately \$2 million; however, that figure may change based



**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

BUSINESS TAXES

on the length of time the cardrooms are required to remain closed. While Business Tax collections are overall anticipated to meet budgeted estimates, this category continues to exhibit variability and will continue to be closely monitored to determine if a budget reduction would be necessary for future consideration by the City Council later in the fiscal year. Each of the Business Taxes sub-categories are further described below.

Cannabis Business Tax collections reflect cannabis business tax as well as cannabis business tax compliance revenues. Through December, receipts of \$7.5 million are 32.6% above the prior year level of \$5.7 million. This increase is due to the timing of payments and higher activity levels. In November 2016, the California Marijuana Legalization Initiative (Proposition 64) legalized recreational marijuana use in the State of California. As a result, the sale of recreational cannabis at the 16 licenses dispensaries in San José began in January 2018. The 2020-2021 Adopted Budget estimate of \$17.0 million requires growth of 6.8% from 2019-2020 actual collection levels. Based on collections through December and historical collection patterns, it is anticipated revenue will exceed the budgeted estimate by approximately \$2 million by year end.

Through December, **Cardroom Tax** receipts of \$2.7 million have been received, which is significantly below the prior year level of \$7.9 million. As a result of the shelter-in-place mandate, cardrooms suspended operations in March 2020 and remained closed through August 2020. In September, public health orders were modified to allow cardrooms to begin outdoor operations with social distance requirements. However, cardrooms were only open for a limited period of time, before further health orders by Santa Clara County and then subsequently the State of California resulted in the closure of cardrooms from November 30 through January 27. As a result of this change, Cardroom Tax will likely fall approximately \$2 million below the modified budget estimate of \$8.6 million. Cardroom Tax revenue will continue to be closely monitored and if necessary, additional budget adjustments may be brought forward for City Council consideration later in the fiscal year. It is important to note that the estimates for Cardroom Tax receipts are inclusive of the ballot measure approved by voters in November 2020 that increased taxes on cardroom operators beginning in January 2021, as daily cardroom operations have been so significantly impacted by necessary public health restrictions.

Disposal Facility Tax (DFT) are business taxes received based on the tons of solid waste disposed at landfills within the City. DFT revenue through December totaled \$4.8 million, which is 10.4% below the prior year level, and is partially attributable to the timing of payments. The 2020-2021 Modified Budget estimate of \$12.6 million is fairly consistent with the prior year collection level. Based on activity to date and historical collection patterns, DFT is anticipated to meet or fall slightly below budgeted levels by year-end.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

BUSINESS TAXES

Through December, **General Business Tax** receipts of \$18.8 million are 2.0% above the prior year collection level. The 2020-2021 Adopted Budget assumed that 2019-2020 receipts would total \$28.0 million, and drop by approximately 8% to \$25.7 million in 2020-2021. This decrease reflected a net increase of the 2% CPI adjustment that will be assessed in 2020-2021, offset by a 10% reduction to General Business Tax proceeds as a result of the COVID-19 pandemic’s impact on local businesses. Although year-over-year receipts are currently exceeding prior year levels, negative revenue adjustments are anticipated to occur over the next several months for revenue that is not collectible. Therefore, based on the performance through December and the anticipated revenue adjustments, receipts are anticipated to meet or slightly exceed the budgeted estimate by year-end.

REAL PROPERTY TRANSFER TAX

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$30,000	\$22,523	75.1%	N/A	\$10,000

On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. This new tax, which became effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. The 2020-2021 Adopted Budget estimate for this new tax totaled \$30.0 million, which will be expended on homeless prevention and affordable housing projects and programs. Through December, Real Property Transfer Tax receipts totaled \$22.5 million, which represents 75.1% of the budgeted estimate. In addition, the City has received the January Real Property Transfer Tax receipts from Santa Clara County, which total \$5.0 million. When taking into account receipts through December and the January collections, Real Property Transfer Tax revenue in 2020-2021 total \$27.5 million, or 91.8% of the Adopted Budget estimate. As a result of the higher than anticipated collections, a recommendation is included in this report to increase the Real Property Transfer Tax estimate by \$10.0 million (from \$30.0 million to \$40.0 million). While collections may exceed even this adjustment, the Administration is taking a conservative approach since this is a new tax, and because tax receipts are significantly influenced by property transfers that exceed \$10 million. As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), corresponding expenditure adjustments related to homeless prevention and affordable housing is recommended to offset the increased tax revenue.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND REVENUES

FINES, FORFEITURES, AND PENALTIES

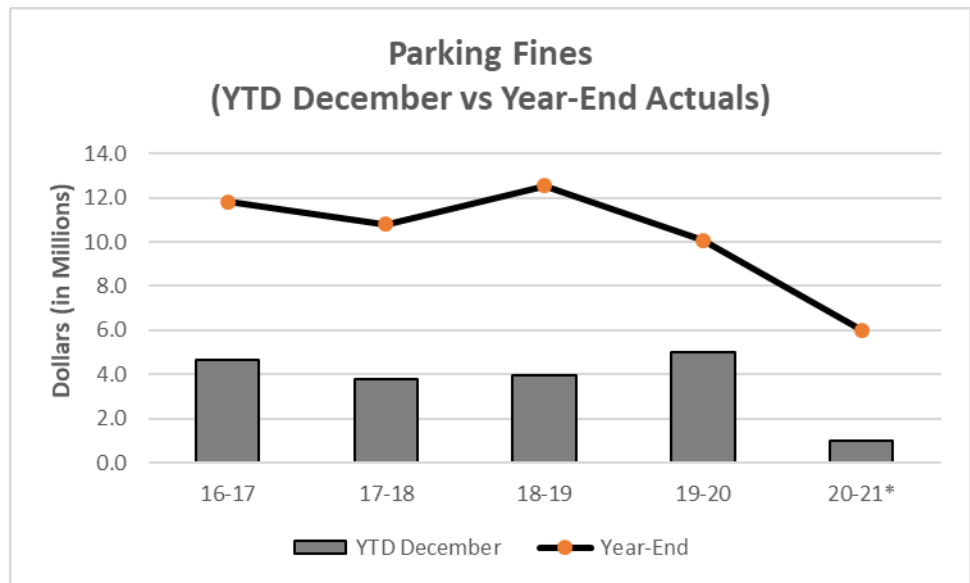
Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$9,730	\$3,607	37.1%	54.6%	\$0

The primary sources of revenue in the Fines, Forfeitures, and Penalties revenue category are Parking Fines, Vehicle Code Fines, Business License Penalties, Administrative Citation Fines, and Other Fines and Penalties. Through December, Fines, Forfeitures, and Penalties collections of \$3.6 million are 54.1% below the prior year collection level of \$7.9 million. This drop is primarily attributable to lower Parking Fine revenue, which is further discussed below. Based on information known at this point of the year, it is anticipated overall Fines, Forfeitures and Penalties will end the year approximately \$1 - \$2 million below the budgeted estimate.

Parking Fines, the largest component of this revenue category, totaled \$1.0 million through December, which represents a 79.5% drop from the prior year collections.

The Transportation Department ceased issuing parking citations in March 2020 and resumed issuing limited parking citations in mid-August 2020. The majority of pre-COVID-19 citation issuance was related to violations pertaining to the support of street sweeping operations, parking meters,

and Residential Permit Parking areas. At this time, citations are only being issued for meter violations in the Downtown core area, safety-related, and street sweeping violations citywide. Citations are not currently being issued for parking meter violations in the Japantown, Old Civic Center, or East Santa Clara areas where meters are not currently active. Enforcement of posted street sweeping restrictions began in January 2021. Historically, street sweeping violations account for approximately 25% of overall annual citations issuance. At this time, there is no set timeline to re-activate parking meters outside the downtown



* 2020-2021 Budgeted Estimate

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

FINES, FORFEITURES, AND PENALTIES

area or to resume enforcement of other types of violations, such as Residential Permit Parking (about 6% of annual issuance). Parking Compliance activities will continue to be phased in thoughtfully, addressing and prioritizing potential health and safety concerns while remaining sensitive to the community's economic concerns, as well as, public health order protocols. It is currently anticipated that Parking Fines will end the year at \$4.5 million, which is \$1.5 million below the 2020-2021 Modified Budget estimate and \$5.6 million below 2019-2020 collections.

FEES, RATES, AND CHARGES

Revenue Status (\$ in Thousands)				
2020-2021		2019-2020		2020-2021
<u>Budget Estimate</u>	<u>YTD Actual</u>	<u>% of Estimate</u>	<u>% of Actual</u>	<u>Proposed Changes</u>
\$25,576	\$2,097	8.2%	53.3%	(\$17,000)

The Fees, Rates, and Charges category contains various fees and charges levied to recover costs of services provided by several City departments, including Library; Parks, Recreation and Neighborhood Services (PRNS); Police; and Transportation. Fees, Rates, and Charges revenue has been significantly impacted by the shelter-in-place mandate. While the 2020-2021 Adopted Budget assumed a reduction of fee revenue as a result of the COVID-19 pandemic, the impacts have been much more significant than anticipated. Through the first half of the fiscal year, fee revenue totaled \$2.1 million, which reflects only 8.2% of the budgeted estimate of \$25.6 million. Based on current collection trends it is anticipated Fees, Rates, and Charges revenue will end the year approximately \$18 million - \$19 million below the budgeted estimate. This reduction is primarily due to PRNS fee revenue (\$17 million) and Transportation Fee revenue (\$1 million). As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), a recommendation is included in this report to decrease the PRNS Fee revenue by \$17.0 million (from \$18.1 million to \$1.1 million) to more closely align the revenue with the anticipated collection level.

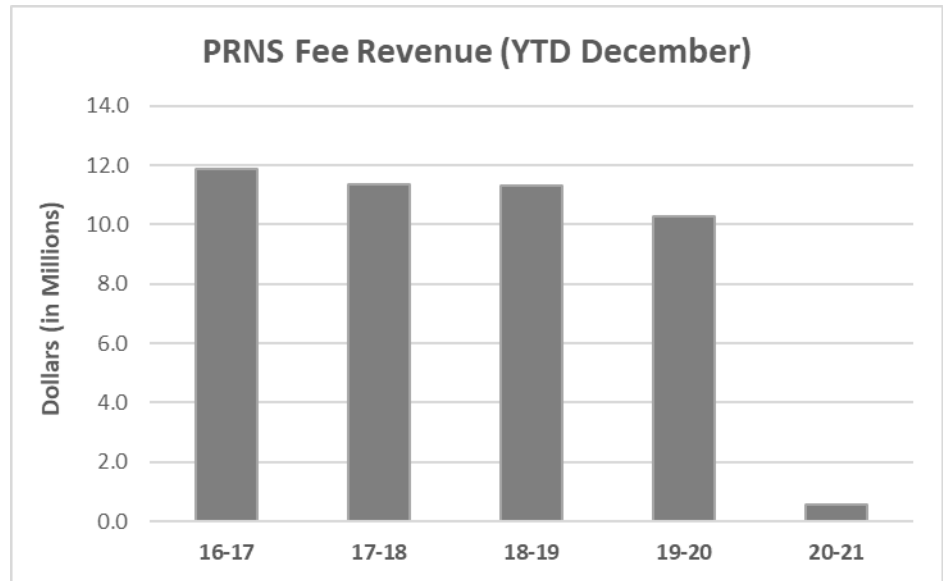
Parks, Recreation and Neighborhood Services Departmental Charges revenues through December of approximately \$550,000 are almost 95% below the prior year level of \$10.3 million for the same period. As a result of the shelter-in-place mandate, program delivery and revenue generation has been impacted in all fee categories including: Happy Hollow Park and Zoo; Fee Activity (classes, camps, and after-school activities); Facility Rentals; Sports Facilities Reservations; Lake Cunningham Action Sports Park; Gym and Fitness; Parking; Park Permits; Arcadia Ball Park; Family Camp; and Aquatics Program. As approved in the 2020-2021 Adopted Budget, Family Camp and Aquatics Program have been suspended

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

FEES, RATES, AND CHARGES

in 2020-2021; however, varying levels of programming are still offered in other fee revenue categories, including Sports Facility Reservations and Fee Activities. Based on information known at this point of the year, fee revenue is anticipated to end the year at \$1.1 million, which is \$17.0 million below the 2020-2021 Adopted Budget estimate of \$18.1 million. As described in *Section III. Recommended Budget Adjustments and Clean-up Action*), a



recommendation is included in this report to decrease the PRNS Fee revenue by \$17.0 million, and reduce the PRNS Fee Activities expenditure appropriation by \$4.0 million (from \$9.9 million to \$5.9 million).

CONCLUSION

As a result of the COVID-19 pandemic and the necessary response to protect community health and safety, economic activity has been severely restricted. As anticipated, revenue sources across the City have been significantly impacted. The 2020-2021 Adopted Budget was developed assuming that many of the General Fund revenues would continue to be suppressed as public health orders and social distancing protocols are anticipated through much of the fiscal year.

A comprehensive review of all General Fund revenue accounts has been performed based on activity through the first six months of the year. Based on the available data through December, General Fund revenues are anticipated to end the year approximately \$5 million - \$10 million below budgeted levels. After accounting for Real Property Transfer Tax revenues, which are allocated for affordable housing and homelessness prevention purposes, the estimated shortfall increases to \$15 - \$20 million. Revenues performing below estimated levels include Fees, Rates, and Charges (primarily Parks, Recreation and Neighborhood Services Fee revenue), Property Tax, Transient Occupancy Tax, Business Taxes, and Fines, Forfeitures and Penalties. Partially offsetting the declining revenues is higher than anticipated Sales Tax and Real Property Transfer Tax receipts.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND REVENUES

CONCLUSION

In total, a net increase of \$6.7 million to the General Fund Sources is recommended in this document. This increase reflects an increase of \$3.4 million related to technical and rebalancing items to more closely align the budgeted estimates with the current anticipated collection levels (Sales Tax, \$20.0 million; Real Property Transfer Tax, \$10.0 million; Fees, Rates, and Charges, -\$17.0 million; Property Tax, -\$10.0 million; and Transient Occupancy Tax, -\$3.5 million) and a \$3.1 million increase related to net-zero grants reimbursements and fees adjustments. Further information regarding these adjustments can be found in *Section III. Recommended Budget Adjustments and Clean-up Actions*.

After considering budget adjustments included in the Mid-Year Budget Review – and after removing consideration of the Real Property Tax revenues generated from Measure E that are allocated to affordable housing and homelessness prevention purposes – revenues are currently tracking to end the year approximately \$10 million below the revised budgeted estimates.

The potential remaining shortfall is not yet recommended to be fully addressed due to other actions and information that will be available in the coming months. As an example, departmental expenditures are currently tracking with savings of \$3 - \$5 million, but this savings is likely to grow by year-end as vacancy estimates are refined. The Administration also continues to align pandemic response spending with available external funding sources, and some of these funding sources have recently broadened eligibility requirements, which may allow the City to further recoup eligible costs associated with the pandemic. Additional economic and revenue data, including second quarter Sales Tax receipts, will also become available in the coming weeks to help refine current year estimates.

The revenue estimates for this year will continue to be updated and used as a starting point in the development of the 2022-2026 General Fund Forecast, due to be released on February 28, 2021, as well as the 2021-2022 Proposed Budget, due to be released on May 3, 2021. As always, staff will continue to closely monitor the City's current year financial status and report to the City Council any significant developments through the Bi-Monthly Financial Reports. The January/February Bi-Monthly Financial Report will be brought to the Public Safety, Finance and Strategic Support Committee in April 2021.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND EXPENDITURES

OVERVIEW

General Fund expenditures through December totaled \$681.7 million, or 39.4% of the total 2020-2021 Modified Budget. This expenditure level represents an increase of \$124.7 million, or 22.4%, from the December 2019 level. This increase is primarily due to the TRANS Debt Service payment (\$53.1 million) that occurred in 2020-2021 (but did not occur in 2019-2020) and higher transfers (\$51.3 million) that were related to moving the development fee program out of the General Fund. In addition, encumbrances through December totaled \$67.1 million, which are \$9.4 million below the December 2019 level, which is primarily due to lower Capital Contribution encumbrances. In total, expenditures and encumbrances through December totaled \$748.8 million, which constitutes 43.3% of the total Modified Budget (including reserves) of \$1.7 billion. When excluding reserves of \$204.5 million, expenditures and encumbrances through December constituted 49.1% of the total Modified Budget. The following chart displays the year-to-date expenditures (excluding encumbrances) compared to the prior year, by category.

2020-2021 General Fund Expenditures through December (\$ in Thousands)

Category	Current Budget	YTD Actual	% of Budget	Prior Year % of Budget
Departmental Expenditures				
Personal Services	\$ 859,920	\$ 426,457	49.6%	46.3%
Non-Personal/Equipment	142,771	44,021	30.8%	30.3%
Other Departmental	28,685	8,266	28.8%	20.2%
<i>Subtotal Departmental Expenditures</i>	<u>1,031,376</u>	<u>478,744</u>	<u>46.4%</u>	<u>42.4%</u>
Non-Departmental Expenditures				
City-Wide Expenses	\$ 327,591	\$ 101,498	31.0%	24.5%
Capital Contributions	78,404	12,409	15.8%	9.1%
Transfers	89,050	89,049	100.0%	93.2%
Reserves	204,462	0	0.0%	0.0%
<i>Subtotal Non-Departmental</i>	<u>699,507</u>	<u>202,956</u>	<u>29.0%</u>	<u>16.4%</u>
Total	\$ 1,730,883	\$ 681,700	39.4%	34.6%

Overall, General Fund expenditures are within budgeted levels and savings of approximately \$3 million - \$5 million are anticipated by year-end; however, this savings is likely to grow as vacancy estimates are refined. The Administration also continues to align pandemic response spending with available external funding sources, and some of these funding sources have recently broadened eligibility requirements, which may allow the City to further recoup eligible costs associated with the pandemic. General Fund expenditure savings will assist in meeting the projected 2020-2021 Ending Fund Balance estimate that will be used as a funding source in the Five-Year General Fund Forecast and the 2021-2022 Proposed Budget. Expenditures savings will continue to be closely monitored over the coming months.

2020-2021
MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND EXPENDITURES

OVERVIEW

Expenditure adjustments totaling \$6.7 million are recommended in this report to accomplish the following: (1) implement one urgent fiscal/program need; (2) implement required technical/rebalancing adjustments; (3) account for new grants, reimbursements, and fees; and (4) complete clean-up actions. Additional information on these adjustments can be found in *Section III. Recommended Budget Adjustments and Clean-Up Actions* of this document. The following discussion highlights major General Fund expenditure activities through December.

DEPARTMENTAL EXPENDITURES

Departmental expenditures include personal services (salaries, overtime, retirement, health, and other fringe benefit costs), non-personal/equipment, and other departmental expenses. Personal services costs represent the largest single General Fund expense category for the City. These costs accounted for 62.6% of the total General Fund expenditures (excluding encumbrances) to date.

Through December, personal services expenditures for all City departments of \$426.5 million, or 49.6% of the current Modified Budget, is slightly above the estimated levels of 49.06% at this point of the year. This expenditure level is also higher than the 46.3% expended through the same time period in the prior year. This difference is largely due to the timing of personal services costs attributable to pandemic response activities that were not yet transferred to the identified emergency relief funding source (such as the Coronavirus Relief Fund) prior to December 2020. Once these charges are moved, current year tracking is expected to closely align with estimated levels. Overall, personal services expenditures are currently tracking with minimal savings of \$3 - \$5 million; however, this savings is likely to grow as vacancy estimates are refined. As of January 29, 2021, the City had 667 vacancies city-wide (all funds) compared to 617 vacancies in the prior year, representing a vacancy factor of approximately 10.1%.

Non-Personal/Equipment expenditures of \$44.0 million are below anticipated levels with 30.8% expended through December. This expenditure level is slightly higher than the 30.3% expended through December 2019. Encumbrances through December totaled \$35.4 million, which when combined with the non-personal/equipment expenditures, brings the total amount of funding committed to \$79.4 million, or 55.6% of the \$142.8 million budget. Overall, these expenditures are expected to remain within budget for all departments, with minimal savings generated by year-end.

The Other Departmental category includes the budget for the Mayor and City Council and Parks, Recreation and Neighborhood Services Fee Activities. Through December, Other Departmental expenditures totaled \$8.3 million, which represents 28.8% expended of the \$28.7 million budget through December. This expenditure level is above the 20.2% expended through December 2019. Expenditures in this category are expected to end the year within budgeted levels. Further, this report includes a recommendation to reduce the Fee Activities appropriation by \$4.0 million, from \$9.9 million to \$5.9 million due to lower levels of activity resulting from the pandemic.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND EXPENDITURES

Following is a discussion of the Fire and Police Departments, as well as non-departmental expenditures.

DISCUSSION OF SELECTED GENERAL FUND DEPARTMENTS

Expenditure Status (\$ in Thousands)			
<u>Department</u>	<u>2020-2021 Budget</u>	<u>YTD Actual</u>	<u>Prior YTD Actual</u>
Fire	\$235,463	\$124,699	\$243,453

The Fire Department’s budget totals \$235.5 million, which is comprised of \$225.1 million in Personal Services and \$10.3 million in Non-Personal/Equipment expenditures. Overall, Fire Department expenditures are performing above estimated levels through December. Personal Services expenditures totaled \$119.8 million, or 53.23% of the Modified Budget. Personal Services expenditures totaling \$8.96 million have been identified as eligible to be expended in the COVID Relief Fund. After factoring out these expenditures, Personal Services expenditures total \$110.8 million, or 49.25% of the Modified Budget. This expenditure level is slightly above the estimated level at this point of the year of 49.06%. The higher than estimated expenditures are primarily due to costs incurred from mutual aid, Strike Team, and Task Force 3 deployments, for which the City is expected to be reimbursed from the State of California and Federal Emergency Management Agency (FEMA) later this fiscal year. The Fire Department’s Personal Services appropriation will continue to be carefully monitored to ensure overall expenditures remain within approved levels.

Overtime has primarily been used to backfill vacancies and absences of the line duty positions (vacation, modified duty, sick, disability, and other absences) and for deployments. Mutual Aid and Strike Team resources (150 sworn personnel) were deployed to assist with 19 wildland fires across California from July through December, including the August Complex (Glenn, Lake, Mendocino, Tehama, Trinity and Shasta Counties), Creek Fire (Fresno and Madera Counties), CZU Lightning Complex (San Mateo and Santa Cruz Counties), El Dorado Fire (San Bernardino County), Glass Fire (Napa and Sonoma Counties), LNU Lightning Complex (Colusa, Lake, Napa, Solano and Yolo Counties), and the SCU Lightning Complex (Alameda, Contra Costa, Merced, San Joaquin, Santa Clara, and Stanislaus Counties). In addition, California Task Force 3 deployments were made for out of State emergency responses, including Cyclone Laura in Louisiana, and local emergency response in Butte County for the North Complex. This report includes recommendations to recognize funds received from the State of California for the Strike Team deployments in the amount of \$206,276, which consists of \$182,263 for overtime expenditures and \$24,013 for non-personal/equipment reimbursements. Reimbursement for Task Force 3 expenditures have been requested from the State of California and FEMA and will be brought forward for City Council consideration once received. Factoring in the reimbursement received from the State for Strike Team deployments, overtime expenditures are in line with projected estimates and are anticipated to end the year at budgeted levels. In addition, the Fire Department’s Non-Personal/Equipment budget of

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND EXPENDITURES

DISCUSSION OF SELECTED GENERAL FUND DEPARTMENTS

\$10.3 million was 47.11% expended or encumbered through December 2020 and is expected to end the year within budgeted levels.

Overall, the average sworn vacancy rate of 4.24% through December 2020 is slightly higher than the rate of 3.81% experienced this time last year, and above the budgeted rate of 2.5%. The second full Firefighter Recruit Academy for 2019-2020 began in March 2020 and concluded on August 7, 2020, with 22 graduates. The next fire fighter academy is anticipated to begin in April 2021.

In accordance with the City Council’s approval of a March 2010 report on annual vacancy and absence rates, the Fire Department has committed to limiting administrative assignments for sworn administrative personnel for overtime control purposes. As of the end of December, at the current authorized staffing level of 31, the Fire Department had 25 sworn personnel on administrative assignments.

Expenditure Status (\$ in Thousands)

<u>Department</u>	<u>2020-2021 Budget</u>	<u>YTD Actual</u>	<u>Prior YTD Actual</u>
Police	\$453,709	\$226,867	\$453,321

Police Department expenditures are slightly above estimated levels through December; however, expenditures are expected to end the year at budgeted levels following the adjustments recommended in this report to allocate Management Pay for Performance Program (MPP) salary increases that were included in the Salaries and Benefits Reserve, and the final reconciliation of labor expenses in support of the COVID-19 pandemic response. Personal Services expenditures of \$208.0 million are tracking slightly higher than anticipated at this point of the year (49.39% expended, compared to the par level of 49.06%) due to a combination of factors that include: lower vacancy levels when combined with strong recruit academies, continued elevated levels of overtime usage, and the pending reclassification of eligible labor expenses to the Coronavirus Relief Fund. Use of the Hire Ahead program will need to be carefully monitored to ensure that personal services costs remain within budgeted levels. Year-to-date overtime expenditures of \$21.4 million account for 79.0% of the Police Department’s \$27.1 million budget (1.6% above prior year levels), which is driven higher by unplanned overtime in response to protests, responses to wildfires in summer 2020, preparations for demonstrations surrounding the contentious presidential election, and increases in investigative work. Final personal services costs incurred in support of COVID-19 pandemic response are also pending reallocation to the Coronavirus Relief Fund, for which the Police Department’s personal services budget was previously reduced as part of the rebalancing actions (Fiscal Recovery Update and Appropriation Actions to Continue the City’s COVID-19 Pandemic Response) approved by City Council on December 8, 2020. A total of \$18.9 million (57.9%) of the Department’s

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND EXPENDITURES

DISCUSSION OF SELECTED GENERAL FUND DEPARTMENTS

Non-Personal/Equipment budget (including encumbrances) has been expended or encumbered through December. Excluding the remaining balances for centrally-determined details, including electricity, gas, and vehicle operation and replacement, the Police Department has approximately \$4.9 million, or 26.46%, of its Non-Personal/Equipment appropriation available for the remainder of the fiscal year. As encumbrances account for 73.1% of the year-to-date activity through December, expenditures are still expected to end the year within budgeted levels.

The Police Department continues to diligently work to fill vacancies in both sworn and civilian positions, using vacancy savings and the \$6.75 million in one-time funding from the Sworn Hire Ahead Program to pay for Police Academy Recruits as well as to backfill patrol and investigative positions on overtime. While the goal is to fill vacancies and eliminate the need to backfill positions, academy and field training of new recruits takes 10-12 months, necessitating overtime to backfill until the new recruits are ready to serve as solo beat officers. Vacancy levels have also contributed to the build-up of compensatory time balances for sworn personnel, for which there is a limit of 480 hours after which sworn personnel are paid in overtime for any additional hours worked. As of December 2020, 445 sworn personnel had reached the 480-hour limit, an increase of 35.7% compared to 329 sworn personnel as of December 2019.

Overtime consists of overtime expenditures and compensatory time. The Memorandum of Agreement (MOA) with the Police Officer's Association (POA) limits how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of December 2020 was 355,254 hours for sworn personnel. This represents an increase of 39,541 hours or 12.5% compared to the December 2019 balance of 277,218. As described above, 445 sworn personnel have reached the compensatory balance limit of 480 hours and all overtime worked by these employees are paid overtime.

The Police Department is enforcing compensatory time controls by requiring all sworn staff, outside of the Bureau of Field Operations (BFO), to reduce compensatory time balances by the end of the calendar year, or to submit a request for an extension, per the MOA. However, as compensatory time balances have continued to grow even though the number of street-ready sworn officers has also increased, the Police Department has implemented additional overtime and compensatory time approvals to slow, and eventually reduce, compensatory time balance growth, including revisions for BFO approvals to the extent possible.

The table below provides a summary of sworn staffing vacancies and street-ready officers. While the sworn positions are filled, there is still a significant gap between filled positions and street-ready officers, with the Hire Ahead program squarely aimed at closing this gap and mitigating expected vacancies due to retirements and other separations. Of the 1,159 authorized sworn staff, 102 were in training (8.8%) as of December 2020, leaving 1,049 street ready sworn positions available (this includes sworn employees on disability/modified duty/other leaves) as shown in the chart below. When sworn employees on disability/modified duty/other leaves are excluded, a total of 948 street-ready sworn officers were deployed.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND EXPENDITURES

DISCUSSION OF SELECTED GENERAL FUND DEPARTMENTS

	2019-2020 (as of 12/27/2019)	2020-2021 (as of 12/18/2020)
Authorized Sworn Positions	1,151	1,159
Vacancies	(19)	(8)
Filled Sworn Positions	1,132	1,151
Field Training Officer/Recruits	(138)	(102)
Street-Ready Sworn Officers Available	994	1,049
Disability/Modified Duty/Other Leaves	(90)	(101)
Street-Ready Sworn Officers Working	904	948

The Police Department has completed or began several academies over the past year, including June 2019 (53 recruits), October 2019 (49 recruits), February/June 2020 (55 recruits) and October 2020 (51 recruits). Due to the COVID-19 pandemic, the February 2020 Academy was temporarily suspended in March but resumed in late June. This academy is anticipated to graduate in February 2021 and the October 2020 academy is anticipated to graduate in May 2021. To fill the vacant sworn positions and put more Police Officers back on patrol, the Department will continue to conduct two additional Police Recruit Academies in 2020-2021, with the next beginning in February 2021 and then in June 2021, with an estimated 45 to 55 recruits per session.

NON-DEPARTMENTAL EXPENDITURES

Non-Departmental Expenditures include City-Wide Expenses, Capital Contributions, Transfers, and Reserves. Through December, expenditures (excluding encumbrances) totaled \$203.0 million, or 29.0% of the \$699.5 million budget (including the Earmarked and Contingency Reserves). When excluding the reserves, the expenditures through December represent 41.0% of the 2020-2021 Modified Budget.

Through December, City-Wide Expenses totaled \$101.5 million, or 31.0% of the 2020-2021 Modified Budget of \$327.6 million. This is a significant increase from the 2019-2020 total Modified Budget of \$135.8 million, the result of the reinstatement of funding for the Tax and Revenue Anticipation Notes (TRANs) Debt Service payments of \$131.5 million in 2020-2021, the largest expenditure in the Strategic Support CSA. Until its suspension last year, the City has issued TRANs annually since 2010-2011 for cash flow purposes to facilitate the pre-payment of the City's retirement contributions. Of the total allocation budgeted, \$53.1 million was expended through December (40.4%). When expenditures (\$101.5 million) and encumbrances of \$16.7 million are combined, the total amount of funding committed (\$118.2 million) represents 36.1% of the Modified Budget. Excluding TRANs Debt Service payments, overall City-Wide expenditures are 24.7% of the Modified Budget, which is in line with prior year levels and are estimated to end the year slightly below budgeted levels.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF GENERAL FUND EXPENDITURES

NON-DEPARTMENTAL EXPENDITURES

2020-2021 City-Wide Expenses
Expenditures by City Service Area
(\$ in Thousands)

City Service Area	Current Budget	YTD Actual	% of Budget	Prior Year Actual	Prior Year % of Budget
Community & Economic Development	\$ 33,158	\$ 8,348	25.2%	\$ 9,240	26.5%
Environmental & Utility Services	2,393	1,284	53.7%	1,054	35.1%
Neighborhood Services	26,555	3,701	13.9%	3,414	27.2%
Public Safety	31,002	11,065	35.7%	8,448	34.7%
Transportation & Aviation Services	4,831	1,134	23.5%	1,214	32.3%
Strategic Support	229,652	75,966	33.1%	9,857	17.2%
TOTAL	327,591	101,498	31.0%	33,227	24.5%

Several adjustments to the City-Wide Expenses appropriations are recommended in this report to align the budget with the year-end expenditure projections. In total, adjustments recommended in this report result in a net increase of \$1.4 million to City-Wide Expenses. The significant actions are summarized in the Transmittal Memorandum and details all actions can be found in *Section III. Recommended Budget Adjustments and Clean-Up Actions* of this 2020-2021 Mid-Year Budget Review.

The following highlights key appropriations in City-Wide Expenses across the five different CSAs:

- Workers' Compensation Claims appropriations totaling \$18.4 million are budgeted in four of the six CSAs, with total expenditures of \$9.1 million through December 2020, or approximately 49.8% of the Modified Budget. This expenditure level is approximately 6.6% above the \$8.5 million expended through December 2019. This increase marks the first increase of Workers' Compensation Claims expenditure year over year since 2017-2018, which is resulting from COVID-19 related claims as well as some one-time settlement amounts paid out earlier in the year. Including adjustments recommended as part of this report to reallocate the budget between the various Workers' Compensation Claims appropriations, overall Workers' Compensation claim payments are projected to end the year within budgeted levels.
- A set of net-zero Workers' Compensation Claims budget adjustments are included to increase the Fire Department Workers' Compensation Claims allocation by \$500,000 and increase the Other Department Workers' Compensation Claims allocation by \$250,000 to align the budget with actual settlements and medical treatment costs. However, savings are projected in the Workers' Compensation Claims Public Works appropriation and the Workers' Compensation Claims Transportation appropriation. Actions to reduce each allocation by \$375,000 are recommended to be redistributed to offset the allocations that require increases.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND EXPENDITURES

NON-DEPARTMENTAL EXPENDITURES

There are additional Workers' Compensation Claims appropriations for the Parks, Recreation and Neighborhood Services Department and the Police Department that do not require adjustments at this time; however, additional net-zero actions may be necessary at year-end.

- In the Strategic Support CSA, the General Liability Claims appropriation totals \$14.5 million, of which 6.9%, or \$1.0 million, is expended or encumbered through December 2020. This is an increase in spending year over year; total commitments through December 2019 were \$775,000, or 5.8% of the \$13.3 million budget. The amount and pace of claims-related expenditures can vary significantly from year to year.
- Also included in the Strategic Support CSA, the Energy Services Company (ESCO) Debt Service appropriation totals \$13.5 million, of which 96.0%, or \$13.0 million, is expended through December 2020. This year's significant expenditure was the result of one-time additional funding of \$10.6 million used to pay off the outstanding debt associated with the lease-purchase agreement for the LED streetlight conversion project.
- Sick Leave Payments Upon Retirement expenditures of \$1,034,000 through December – which is tracked in the Strategic Support CSA – reflect 20.7% of the total 2020-2021 budget estimate of \$5.0 million. Year-to-date expenditures for these payouts reflect a slight increase from the prior year levels of \$923,000 through December 2019, but consistent with the \$1.1 million expenditure through December 2018 and December 2017. It is important to note, however, that the majority of expenditures in this appropriation typically occur in the second half of the year. Year-end expenditures are anticipated be at or below the budgeted estimate of \$5.0 million.
- In the Community and Economic Development CSA, the Homeless Rapid Rehousing and Homeless Response Team appropriations have expended or encumbered 63.7% and 53.0% of their respective budgets, respectively. These two appropriations provide funding for critical resources to address the City's ongoing efforts related to homelessness.
- In the Neighborhood Services CSA, the San José BEST and Safe Summer Initiative Programs appropriation has year-to-date expenditures of \$1.4 million with an additional \$1.8 million encumbered for a total of \$3.2 million committed, reflecting 42.8% of the total budget of \$7.4 million. In comparison, this reflects a decrease from the prior year spending, of which \$3.5 million was expended or encumbered through December 2019 of a total budget of \$6.7 million. This appropriation supports gang prevention and intervention efforts across the City.

Through December, General Fund **Capital** expenditures (\$12.4 million) and encumbrances (\$15.0 million) total \$27.4 million, which represents 35.0% of the \$78.4 million budget. Overall, minimal General Fund Capital expenditure savings are anticipated, as the rebudget of unspent funds to 2021-2022 will be recommended to complete projects.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF GENERAL FUND EXPENDITURES


NON-DEPARTMENTAL EXPENDITURES

Through December, **Transfers** have been fully executed, with expenditures totaling \$89.0 million, or 100% of the budget.

There are no expenditures against the **Earmarked Reserves** budget of \$164.5 million because expenditures cannot be charged directly to a reserve (to use Reserve funding, budget actions are necessary to move funding from a Reserve to an expenditure appropriation). The largest reserves include the: Budget Stabilization Reserve (\$35.0 million); Fire Training Center Replacement Reserve (\$24.8 million); Salaries and Benefits Reserve (\$24.4 million); Workers' Compensation/General Liability Catastrophic Reserve (\$15.0 million); Measure E – 45% Extremely Low Income Reserve (\$12.8 million); 2021-2022 Future Deficit Reserve (\$11.1 million); Measure E – 35% Low Income Reserve (\$10.0 million); 2021-2022 Police Sworn Hire Ahead Program Reserve (\$7.0 million); Sick Leave Payments Upon Retirement Reserve (\$4.0 million); and, Measure E – 10% Moderate Income Reserve (\$2.9 million).

Several budget actions are recommended in this report that impact General Fund Reserves, including: the allocation of \$10.0 million of additional Real Property Transfer Tax revenues in accordance with City Council Policy 1-18, Section 22 to support affordable housing and homelessness prevention; increasing the Google Parking Lots Option Payment reserve in the amount of \$1.1 million to set aside the 2020-2021 Option payment from Google; and, a net reduction of \$6.8 million to the Salaries and Benefits Reserve. These actions are summarized in the Transmittal Memorandum and all reserve actions are described in detail in *Section III. Recommended Budget Adjustments and Clean-Up Actions* of this document.

No budget action is recommended for the **Contingency Reserve**, which currently totals \$40.0 million and complies with the City Council policy to set aside 3% of expenditures.



2020-2021

MID-YEAR
BUDGET
REVIEW



SECTION
II

SELECTED SPECIAL/
CAPITAL FUNDS
STATUS REPORT



**2020-2021
MID-YEAR BUDGET REVIEW**

II. SELECTED SPECIAL/CAPITAL FUNDS STATUS REPORT

At mid-year, the City Manager's Budget Office conducts a comprehensive review of expenditure and revenue performance of all operating and capital funds and capital programs through the first six months of the fiscal year. Revenues and expenditures are generally tracking within estimated levels. This section of the report is intended to summarize the results of that review and only discusses selected funds with issues of interest or variances.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

AIRPORT OPERATING FUNDS – AIRPORT MAINTENANCE AND OPERATION FUND & AIRPORT REVENUE FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues – Airport Revenue Fund</i>	186,323,661	77,292,418	41.5%
<i>Expenditures – Airport Maintenance and Operation Fund</i>	116,985,643	43,261,541	37.0%
<i>Ending Fund Balance – Airport Revenue Fund</i>	66,622,327	N/A	N/A
<i>Ending Fund Balance – Airport Maintenance and Operation Fund</i>	28,024,473	N/A	N/A

This section discusses the status of the Airport Revenue Fund and the Airport Maintenance and Operation Fund. The Airport Revenue Fund accounts for all general Airport revenues. The Airport Maintenance and Operation Fund, funded by a transfer from the Airport Revenue Fund, accounts for expenditures incurred for the maintenance and operation of the Norman Y. Mineta San José International Airport.

FUND STATUS

Revenues – General Airport operating revenue categories include Landing Fees, Terminal Rentals, Airfield, Terminal Concessions, Parking and Roadway, and General and Non-Aviation.

Overall revenue performance at the Airport of \$77.3 million is tracking at 41.5% of the estimated budget and is in line with the benchmark estimate through December. The 2020-2021 budget was built assuming approximately a 60% decrease, or 8.9 million less passengers, from the 2018-2019 level of 14.9 million passengers. Through December 2020, passenger levels of 1.6 million are down 80.2% from the same period last fiscal year (8.3 million). Similarly, passenger airline operations (takeoffs and landings) are down 62.1% year-to-date from December 2019.

Landing Fees and Terminal Rentals are in line with the department’s benchmark estimates while Airfield revenues are tracking above estimated levels primarily due to ground support concession fee revenue. Revenue categories most significantly impacted by reduced passenger levels are Terminal Concessions and Parking and Roadway. Despite food and beverage and retail revenues tracking below budgeted levels, terminal concessions revenue overall is above the budget estimate as a result of higher than anticipated advertising revenue. Conversely, Parking and Roadway revenue is slightly below estimated levels due to the lower than anticipated Transportation Network Companies, or app-based transportation options, and rental car concession revenues. Total general and non-aviation revenues, consisting of fees associated with hangars, land and building rentals, petroleum program, general aviation, interest earnings, and other non-aviation (miscellaneous) revenues, are tracking slightly above budgeted levels primarily due to the timing of revenue collection.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

**AIRPORT OPERATING FUNDS – AIRPORT MAINTENANCE AND OPERATION FUND &
AIRPORT REVENUE FUND**

FUND STATUS

The total budgeted revenue estimate of \$186.3 million includes \$31.7 million of federal CARES Act funding to partially offset decreased revenue resulting from reduced passenger levels and associated closure of food and beverage concession locations. Airport non-airline tenants, including food and beverage concessionaires, retail concessionaires, and on-Airport rental car companies, have been offered abatements of minimum annual guarantee (MAG) concession fees for the months of July through December 2020. CARES Act funding is received on an expenditure reimbursement basis. Through December, \$18.5 million of the total \$31.7 million budgeted has been received.

Expenditures – Operating expenditures, appropriated in the Airport Maintenance and Operation Fund, include Personal Services, Non-Personal/Equipment, Police and Aircraft Rescue and Fire Fighting Services, direct support, and overhead reimbursements. Overall, expenditures through December total \$43.3 million and are tracking at 37.0% of budget year-to-date. Through December, Airport’s combined Personal Services and Non-Personal/Equipment expenditures are \$28.1 million or 31.2% of the combined budgeted levels.

Personal Services expenditures of \$17.3 million are tracking below benchmark levels of 50.0% at 49.5% of budget. The minimal savings are due to a 7% vacancy rate (15 vacancies) as of December 2020. Overtime expenditures of \$212,824, or 54.0% of budget, are tracking slightly above estimates and will be closely monitored for the remainder of the fiscal year. Non-Personal/Equipment expenditures (excluding encumbrances) are tracking at 19.5% of budget; with encumbrances, Non-Personal/Equipment expenditures total \$30.7 million, or 55.7% of the total modified budget. It is anticipated that through conservative spending and close monitoring, the Non-Personal/Equipment appropriation will end the year within budgeted levels.

Through December 2020, interdepartmental expenditures (charges for staff and services located in other City departments including the Police and Fire Departments) total \$9,704,265, which represents approximately 49.5% of the interdepartmental budget. Expenditures are on track to end the year within budgeted levels.

Ending Fund Balance – A net decrease to the Airline Agreement Reserve in the Airport Revenue Fund of \$1.1 million is recommended to reflect a decrease of \$1.2 million to cover the annual debt service payment, offset by an increase of \$138,000 to reflect additional funding available based on a recent investment valuation by the Airport’s Fiscal Agent. There are no changes recommended to the Ending Fund Balance in the Airport Maintenance and Operation Fund at this time. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

BUILDING AND STRUCTURE CONSTRUCTION TAX FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	58,586,625	18,523,764	31.6%
<i>Expenditures</i>	110,438,330	10,882,316	9.9%
<i>Unrestricted Ending Fund Balance</i>	15,242,955	N/A	N/A

FUND STATUS

Revenues – Tax revenue in the Building and Structure Construction Tax Fund, which is a major funding source for the Traffic Capital Program, is tracking above anticipated levels. Through the first half of 2020-2021, Building and Structure Construction Tax receipts totaled \$16.9 million through December, which is 89.1% of the 2020-2021 Adopted Budget estimate of \$19.0 million, reflecting higher than anticipated commercial development permit activity. This collection level is above prior year collections (\$917,000 or 5.7%) of \$16.0 million for the same period. While the pace of activity has slowed somewhat in December and November when compared to earlier in the fiscal year, tax receipts are expected to exceed budgeted levels by \$6.0 million, for a modified estimate of \$25.0 million.

Other major revenue sources in the Building and Structure Construction Tax Fund, including grants from federal, state, and local agencies, are tracking below estimated levels, corresponding with year-to-date project activity. These variances are largely due to timing differences for grant-supported projects, many of which are funded on a reimbursement basis. Project timelines have been impacted as a result of the schedule for the larger-scale, complex projects, primarily due to the continuing impact of the COVID-19 pandemic. As a result, the lower grant reimbursement collections is offset by corresponding lower project expenditures. Staff will continue to closely monitor these revenue sources as the fiscal year progresses.

Included in this report are recommendations for the following revenue adjustments:

- Increase the estimate for Building and Structure Construction Tax revenue by \$6.0 million based on current collection trends for the construction taxes primarily resulting from strong commercial development activity; and
- Increase the estimate for Other Revenue by \$1.0 million for in-lieu fees generated from various projects that will be used for the Avenues School Safety Improvements project.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

BUILDING AND STRUCTURE CONSTRUCTION TAX FUND

FUND STATUS

Expenditures – Overall expenditures of \$10.9 million are tracking at 9.9% of the Modified Budget. In addition, \$9.5 million has been encumbered to date, bringing total commitments (\$20.4 million) through December to 18.4% of the Modified Budget, excluding reserved funds. Though expenditures are tracking below expected levels through December, a significant amount of contractual obligations are anticipated later in the fiscal year. Any remaining project balances at year-end are anticipated to be rebudgeted to 2021-2022 as part of the 2021-2022 Adopted Capital Budget for project completion. This report also includes a limited number of expenditure adjustments, the most significant of which is the establishment of the Avenues School Safety Improvements project for \$1.0 million. Further detail regarding these recommendations can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

Ending Fund Balance – A net increase of \$5.6 million to the Ending Fund Balance is included as a result of the actions recommended in this report. After accounting for all these actions, the revised Ending Fund Balance will increase to approximately \$20.9 million. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

BUILDING DEVELOPMENT FEE PROGRAM FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	58,335,787	49,329,507	84.6%
<i>Expenditures</i>	39,616,108	17,926,170	45.2%
<i>Unrestricted Ending Fund Balance</i>	18,719,679	N/A	N/A

FUND STATUS

Revenues – Overall revenue performance for the Building Development Fee Program Fund is tracking above anticipated levels at 84.6% of the Modified Budget. The majority of the revenue collections through December is from a one-time transfer from the General Fund (\$33.2 million), which represents the close-out of the Building Development Fee Program that was budgeted in the General Fund prior to 2020-2021. Building Permit revenues make up the remainder of the year-to-date revenue collections. Through December, Building Permit revenues of \$16.1 million are 28.2% lower than the 2019-2020 collection level for the same period (\$22.4 million). The 2020-2021 Adopted Budget of \$24.6 million for permit fees allows for a 32.1% drop from the 2019-2020 actual collection level of \$36.2 million due to the ongoing COVID-19 pandemic. Based on current collection trends, Building Permit revenues are anticipated to exceed the 2020-2021 budget revenue estimate of \$24.6 million by at least \$5.0 million.

Expenditures – Through December 2020, total expenditures of \$17.9 million are tracking at 45.2% of the Modified Budget. In addition, \$478,000 has been encumbered to date, bringing total commitments (\$18.4 million) through December to 46.5% of the Modified Budget. Appropriations in this fund are tracking within budgeted levels.

Expenditure savings of approximately \$4.0 million is projected by year-end from vacant positions and contractual services, primarily in the Planning, Building and Code Enforcement Department’s Personal Services (\$2.1 million), Shared Resources Personal Services (\$744,000), Shared Resources Non-Personal/Equipment (\$744,000), and Non-Personal/Equipment (\$241,000) appropriations.

Ending Fund Balance – A net increase to the Ending Fund Balance of \$252,000 is recommended in this report to offset actions related to the Salary Program for the Information Technology Department (-\$4,919) and the Transfer to the City Hall Debt Service Fund (\$256,960). With these actions, the revised Ending Fund Balance totals \$19.0 million.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION AND CONVEYANCE TAX FUNDS

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	44,428,088	22,448,473	50.5%
<i>Expenditures</i>	111,276,488	18,005,511	16.2%
<i>Unrestricted Ending Fund Balances</i>	27,800,410	N/A	N/A

FUND STATUS

Revenues – A total of 17 Construction and Conveyance (C&C) Tax Funds are budgeted throughout the Capital Budget. Most of these funds (13) support the Parks and Community Facilities Development Capital Program, with the remaining four funds supporting the Public Safety, Library, Service Yards, and Communications Capital Programs. Revenues in the C&C Tax Funds are comprised of C&C Tax receipts, sale of surplus property, transfer revenue, grant funding, and other miscellaneous revenue. The Parks C&C Funds also include revenues related to the 2017 Flood recovery projects, including \$1.0 million anticipated to be received from the Federal Emergency Management Agency (FEMA)/California Office of Emergency Services (CalOES), commercial paper proceeds of \$5.5 million, and \$900,000 from flood insurance reimbursements. Through December, revenue in the C&C Tax Funds totaled \$22.4 million, which is 50.5% of the 2020-2021 Modified Budget of \$44.4 million.

C&C Tax receipts are the largest source of revenue for the C&C Tax funds. Through December 2020, C&C Tax collections totaled \$20.0 million, which represents approximately 67% of the 2020-2021 Adopted Budget estimate of \$30.0 million. The 2020-2021 Adopted Capital Budget was built on the assumption that C&C Tax receipts would drop significantly in 2020-2021 due to the COVID-19 pandemic and uncertainty regarding its long-term effect on the local real estate market, which is the primary driver of this revenue source. However, while collections were suppressed when the shelter-in-place began, beginning in the early fall, receipts have experienced year-over-year growth. Based on performance through the first half of the fiscal year, collections in 2020-2021 are anticipated to exceed the budgeted estimate by \$10.0 million and reach \$40.0 million. Therefore, a recommendation for a \$10 million increase to the 2020-2021 C&C Tax estimate from \$30.0 million to \$40.0 million is included in this report. The \$10.0 million increase to the C&C Tax revenue estimate would be distributed as follows: Parks C&C Tax allocation (\$6.4 million), Library C&C Tax allocation (\$1.4 million), Service Yards Tax allocation (\$878,000), Fire C&C Tax allocation (\$840,000), Communications C&C Tax allocation (\$340,000), and Park Yards C&C Tax allocation (\$120,000). The additional revenue is recommended to be placed in the Ending Fund Balance of each respective fund for future allocation. The \$40.0 million estimate for 2020-2021 will be used in the development of the 2021-2022 Proposed Capital Budget and 2022-2026 Capital Improvement Program.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION AND CONVEYANCE TAX FUNDS

FUND STATUS

Nearly 99% of the total C&C Taxes are comprised of conveyance receipts, a tax based on the value of property transfers (sales). According to data from the Santa Clara County Association of Realtors, the local real estate market has been experiencing year-over-year growth in both home prices and property sales. Additionally, it is taking less time to sell these homes. The average days on the market for single-family and multi-family dwellings decreased from an average of 47 days in December 2019 to an average of 18 days in December 2020. The median single-family home price, which totaled \$1.1 million in December 2019, has grown by over 14% to \$1.2 million in December 2020. Finally, the property transfers have also experienced significant growth, increasing from 504 sales in December 2019 to 671 sales in December 2020.

Expenditures – Overall, expenditures in the various C&C Tax Funds are anticipated to end the year within budgeted levels. Through December, expenditures totaled \$18.0 million, or 16.2% of the 2020-2021 Modified Budget of \$111.3 million. An additional \$9.7 million has been encumbered through December, bringing the total amount committed to \$27.7 million, or 24.9% of the 2020-2021 Modified Budget. This report recommends expenditure adjustments to the following projects:

- Mise Park Improvements (\$140,000 – Council District 1 C&C Tax Fund)
- Ramac Park Turf Replacement (\$194,000 – Council District 2 C&C Tax Fund)
- Strategic Capital Replacement and Maintenance Needs (\$50,000 – Council District 3 C&C Tax Fund)
- Strategic Capital Replacement and Maintenance Needs (\$50,000 – Council District 4 C&C Tax Fund)
- Trail: Five Wounds Development (Story Road to Whitton Avenue) (\$40,000 – Council District 3 C&C Tax Fund)
- Family Camp Infrastructure Renovations (\$60,000 – City-Wide C&C Tax Fund)
- 2017 Flood – Commercial Paper Debt Service and Letter of Credit Fees (\$152,000 – City-Wide C&C Tax Fund)
- Environmental Mitigation Maintenance and Monitoring (\$23,000 – City-Wide C&C Tax Fund)
- Kelley Park Master Plan (\$25,000 – City-Wide C&C Tax Fund)
- Preliminary Engineering – Trails (\$50,000 – City-Wide C&C Tax Fund)
- Fuel Tank Replacement (\$38,000 – Fire C&C Tax Fund)
- Emergency Medical Services Equipment (\$103,000 – Fire C&C Tax Fund)

Further detail regarding all the recommended adjustments in the various C&C Tax Funds can be found in *Section III. Recommended Budget Adjustments and Clean-Up Actions*.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION AND CONVEYANCE TAX FUNDS

FUND STATUS

Ending Fund Balance – This report includes recommendations to increase and decrease the various C&C Tax Funds Ending Fund Balances to offset various actions recommended in the report. In total, the C&C Tax Fund Ending Fund Balances are recommended to be increased by \$8.1 million (from \$27.8 million to \$35.9 million) as a net result of the actions cited above and other clean-up actions as detailed in Section III of this report.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONVENTION AND CULTURAL AFFAIRS FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	9,937,366	9,566,190	96.3%
<i>Expenditures</i>	9,746,148	7,563,584	77.6%
<i>Unrestricted Ending Fund Balance</i>	2,561,893	N/A	N/A

FUND STATUS

Revenues – Convention and Cultural Affairs Fund revenues through December totaled \$9.6 million, or 96.3% of the budgeted estimate of \$9.9 million, as the majority of revenue is derived from transfers from the Transient Occupancy Tax (TOT) Fund (\$6.5 million) and the return of funds previously transferred to the Convention and Cultural Affairs Capital Fund (\$2.9 million) for prior planned capital improvements to the convention and cultural facilities managed by the City’s third-party operator, Team San Jose. Excluding other sources, the current transfer from the TOT Fund (50% of projected TOT), represents a 63.4% decline relative to the same prior year period, aligning with the TOT revenue estimate included in the 2020-2021 Adopted Budget which already assumed considerable declines due to the impacts of COVID-19. However, as discussed in the Selected Special and Capital Funds, Transient Occupancy Tax section of this report, year-to-date revenues and key performance indicators for hotel activity have fallen short of the lowered expectations for 2020-2021, requiring further downward forecast adjustments.

In accordance with TOT Fund recommendations, recommended adjustments in the Convention and Cultural Affairs Fund decrease the transfer from the TOT Fund by \$2.35 million, from \$6.9 million to \$4.6 million, and increase the transfer from the Convention and Cultural Affairs Capital Fund by \$2.33 million, from \$2.9 million to \$5.2 million. This additional transfer from the Convention and Cultural Affairs Capital Fund consists of available Ending Fund Balance (\$2.2 million) previously held in the event of further revenue losses given the uncertainties surrounding COVID-19, as well as net identified project savings of \$164,000. While this largely offsets the anticipated revenue loss in 2020-2021, these actions essentially pause further capital improvements, and do not address increasing pressure on Team San Jose operating requirements for the convention and cultural facilities.

Expenditures – Convention and Cultural Affairs Fund revenues primarily support the contractual operations of the San José McEnery Convention Center and various cultural facilities owned by the City. Overall expenditures through December 2020, totaling \$7.6 million, represent 77.6% of the Modified Budget, including \$6.0 million (89.8% of budget) for Convention Facilities Operations.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONVENTION AND CULTURAL AFFAIRS FUND

FUND STATUS

Because of the continued COVID-19 pandemic and corresponding mitigation measures, including shelter-in-place/stay-at-home orders, and congregational and travel restrictions, Team San Jose has effectively closed all convention and cultural facilities, focusing on securing them and maintaining the basic functionality of mechanical systems while completing limited, carry-over capital projects. Team San Jose's food and beverage operation has also been mobilized to provide contractual meal preparation and delivery services to sheltered populations vulnerable to COVID-19. However, these closures are now anticipated to continue through the end of the 2020-2021 fiscal year, effectively handicapping potential revenue generation from facility use as well as regular services provided to clients for events, though several clients have permitted Team San Jose to retain advanced deposits pending reopening, indicative of residual demand for facility space when conditions normalize.

In response to this operating revenue loss and the evolving outlook for reopening, Team San Jose has collaborated closely with the Administration to implement a variety of additional cost containment measures, inclusive of multiple rounds reductions in force (39 positions) with the goal of maintaining core staffing to reopen facilities at the appropriate time, and to reduce costs to the fixed costs of staffing and facility maintenance/operations. These costs, including utilities and the retention of core staffing for reopening, are currently estimated at \$653,000 per month (\$7.8 million annually). While additional use strategies continue to be explored, such as use of convention facilities for homeless shelter and for mass vaccination, net operating requirements are now projected to increase by \$1.8 million, from \$6.6 million to \$8.4 million.

This additional cost related to operating assistance is partially offset by the elimination of the \$250,000 Team San Jose Management Fee (Incentive Fee) for performance in 2019-2020 in accordance with their agreement with the City, since the dramatic interruption in business caused by COVID-19 did not allow Team San Jose to meet the performance and incentive benchmarks previously approved by the City Council. Additional actions are recommended to align Insurance Expenses with overlapping brokerage services during a request-for-proposal process (\$4,500) and to complete the outstanding scope of work for the City Facilities Safety Assessment project (\$20,000).

Ending Fund Balance – The adjustments recommended in this report reduce Ending Fund Balance in the Convention and Cultural Affairs Fund by \$1,549,500, from \$2,561,893 to \$1,012,393. Further details on the above adjustments can be found in Section III, *Recommended Budget Adjustments and Clean-up Actions*, of this report.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONVENTION CENTER FACILITY DISTRICT REVENUE

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	10,500,000	4,028,316	38.4%
<i>Expenditures</i>	14,079,000	199,791	1.4%
<i>Unrestricted Ending Fund Balance</i>	823,189	N/A	N/A

FUND STATUS

Revenues – Convention Center Facility District Revenue (CCFD) Fund revenues through December 2020 totaled \$4.0 million, which represents a decline of 43.9% from the prior year level for the same period (\$7.2 million). Year-to-date revenues also include a transfer of \$2.3 million from the Convention Center Facility District Capital Fund. Adjusting for this transfer, actual CCFD Special Tax revenues of \$1.7 million through December 2020 have decreased 76.0% relative to prior year level, mirroring Transient Occupancy Tax (TOT) performance and exemplifying the drastic contraction in hotel activity in response to the continuing COVID-19 pandemic. As with the TOT revenue estimate, the CCFD Special Tax revenue estimate included in the 2020-2021 Adopted Budget already assumed considerable declines due to COVID-19 impacts on business and leisure travel, convention activity, and other public events, with collection levels not beginning to recover until the second half of 2020-2021; however, key performance indicators for hotel activity to date have not met expectation in 2020-2021.

Through December 2020, the average hotel occupancy rate reported for the San José market was 36.7%, a drop of 37.4 percentage points over the same period in 2019-2020 (74.1%). Average room rates also decreased by 46.9%, from \$191.50 to \$101.70, and the year-to-date average revenue-per-available room (RevPAR) decreased 73.7%, from \$141.96 to \$37.33, relative to the same period in 2019-2020. Moreover, this suppressed performance is unlikely to improve in the near-term due to the resurgence of COVID-19 and the imposition of public health orders in the region and changes in travel and consumer behavior, notwithstanding future changes in governmental restrictions.

The 2020-2021 Adopted Budget estimate was built on the assumption that 2019-2020 receipts would total \$13.0 million and decrease 38.5% to \$8.0 million in 2020-2021, excluding budgeted transfers (\$2.3 million) due to the ongoing impacts of COVID-19. However, due to the low CCFD Special Tax performance through the first half of the fiscal year, and the assumption that short-term activity will continue at extremely suppressed levels, the 2020-2021 Mid-Year Budget Review includes a recommendation to decrease the budgeted estimate by \$3.5 million, from \$8.0 million to \$4.5 million. Considering the CCFD Special Tax exclusively, this revised estimate represents a drop of 60.8% when compared with 2018-2019 actual receipts of \$11.5 million, varying from the correlated TOT contraction due to the set aside of CCFD Special Tax revenues from hotels that do not formally belong to the CCFD.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONVENTION CENTER FACILITY DISTRICT REVENUE

FUND STATUS

As of October 2020, remittances attributable to these non-annexed hotels totaled \$4.8 million. In collaboration with Team San Jose, the Administration is conducting outreach to the parent businesses to complete the necessary documentation for formal annexation, which will then be brought forward to be recognized by City Council. However, since the City is not yet able to officially recognize these accumulated CCFD Special Tax revenues, recommended budget adjustments to resolve the revenue shortfall include the transfer of the remaining available balance from the Convention Facility District Capital Fund (\$1.7 million) and to defer commercial paper note repayments, as discussed below, on commercial paper notes issued for the prior Exhibit Hall expansion at the San José McEnergy Convention Center and for the acquisition of South Hall, which serves as extended convention space.

Expenditures – Overall expenditures through December 2020, totaling \$199,791, represent 1.4% of the Modified Budget. Debt service and trustee payments are backloaded in the fiscal year and comprise most of the expenditure budget within the CCFD Fund, totaling \$13.96 million (99.1%) of the \$14.08 million budgeted expenditures.

The CCFD Special Tax principally supports debt service and reserve (Revenue Stabilization Reserve) requirements for the City of San José Special Hotel Tax Revenue Bonds (Series 2011) and City of San José Financing Authority Lease Revenue Bonds (Series 2011A) that were previously issued for the Convention Center Expansion and Renovation Project that was completed in 2013. Together, these obligations represent \$10.5 million in annual debt service payments. In addition, due to the historically strong performance of the CCFD Special Tax, debt service on commercial paper notes (\$3.5 million annually) for the Convention Center Exhibit Hall Lighting and Ceiling Upgrades project and purchase of South Hall has been assumed by the CCFD Fund.

Due to the projected additional revenue loss (\$3.5 million) and prioritization of Series 2011 and 2011A debt service obligations, a one-time deferral of the 2020-2021 principal payment for Exhibit Hall commercial paper is recommended to balance the CCFD fund in 2020-2021, totaling \$2.3 million. Additionally, the interest-only commercial paper note repayment for South Hall is reduced by \$746,000 due to lower than anticipated interest rates. Accounting for outstanding fees and charges, these combined actions reduce budgeted debt service in 2020-2021 by \$3.1 million. However, because the Exhibit Hall principal payment is being deferred, the City is expected to incur an additional \$26,000 in interest costs in subsequent years. Given the low borrowing costs associated with the commercial paper program, this is a lower cost option than receiving a loan from a different City fund (i.e. intrafund loan), which would result in higher interest costs of approximately \$50,000.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONVENTION CENTER FACILITY DISTRICT REVENUE

FUND STATUS

It is important to note that, after factoring for the budget adjustments described above, accumulated fund balances within the CCFD Fund and Capital Fund, which were previously generated by strong CCFD Special Tax collections, remain sufficient to pay debt service related to the Series 2011 and Series 2011A bonds through 2020-2021 without accessing the Revenue Stabilization Reserve.

Ending Fund Balance – The adjustments recommended in this report increase Ending Fund Balance in the CCFD Fund by \$1.3 million, from \$823,189 to \$2.1 million, which is anticipated to mitigate potential forecast adjustments to the CCFD Special Tax as the impacts of COVID-19 on the hospitality industry continue to evolve. Further details on the above adjustments can be found in Section III, *Recommended Budget Adjustments and Clean-up Actions*, of this report.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION EXCISE TAX FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	127,508,220	40,138,241	31.5%
<i>Expenditures</i>	199,189,803	31,223,027	15.7%
<i>Unrestricted Ending Fund Balance</i>	4,783,796	N/A	N/A

FUND STATUS

Revenues – The Construction Excise Tax, a major funding source for both the Construction Excise Tax Fund and Traffic Capital Program, is tracking above anticipated levels. Through the first half of 2020-2021, Construction Excise Tax receipts totaled \$12.4 million through December, 88.6% of the 2020-2021 Adopted Budget estimate of \$14.0 million, reflecting higher than anticipated commercial development permit activity. This collection level is above prior year collections (\$1.9 million or 17.9%) of \$10.5 million for the same period. While the pace of activity has slowed somewhat in December and November when compared to earlier in the fiscal year, tax receipts are expected to exceed budgeted levels by \$7.0 million, for a year-end total of \$21.0 million.

Other major revenue sources in the Construction Excise Tax Fund, including grants from federal, state, and local agencies, are tracking below estimated levels, corresponding with year-to-date project activity. These variances are largely due to timing differences for grant-supported projects, many of which are funded on a reimbursement basis. Project timelines have been impacted as a result of the schedule for the larger-scale, complex projects, primarily due to the continuing impact of the COVID-19 pandemic. As a result, the lower grant reimbursement collections are offset by corresponding lower project expenditures. Staff will continue to closely monitor these revenue sources as the fiscal year progresses.

Included in this report are several revenue adjustments, including recommendations to:

- Increase the estimate for Construction Excise Tax revenue by \$7.0 million based on current collection trends for the construction taxes primarily resulting from strong commercial development permit activity; and
- Increase the estimate for Revenue from Local Agencies by \$832,218 to recognize revenues received from Measure B vehicle registration fees.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION EXCISE TAX FUND

FUND STATUS

The corresponding expenditure adjustment for these actions and further detail regarding these recommendations can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

Expenditures – Overall expenditures of \$31.2 million are tracking at 15.7% of the Modified Budget. In addition, \$35.5 million has been encumbered to date, bringing total commitments (\$66.7 million) through December to 33.5% of the Modified Budget, excluding reserved funds. Any remaining project balances at year-end are anticipated to be rebudgeted to 2021-2022 as part of the 2021-2022 Adopted Capital Budget for project completion. This report also includes a limited number of expenditure adjustments, the notable ones are listed below. Further detail regarding this recommendation can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

- Increase the Pavement Maintenance – Complete Street Project Development project (\$1.0 million);
- Increase the Pavement Maintenance – VTA Measure B VRF project (\$832,218);
- Establish the North San José Light Rail Cabinets project (\$325,000);
- Increase the Miscellaneous Street Improvements project (\$323,000);
- Establish the Highway 680 and Jackson Traffic Signal project (\$200,000); and
- Establish the Quimby and White Traffic Signal project (\$200,000).

Ending Fund Balance – A net increase of \$5.7 million to the Ending Fund Balance is included as a net result of the actions recommended in this report. After accounting for all these actions, the revised Ending Fund Balance will be \$10.5 million. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

FIRE DEVELOPMENT FEE PROGRAM

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	14,602,332	11,567,154	79.21%
<i>Expenditures</i>	10,588,834	4,191,325	39.58%
<i>Unrestricted Ending Fund Balance</i>	4,013,498	N/A	N/A

FUND STATUS

Revenues – The Fire Development Fee Program provides operational and construction permits and inspections to ensure that the development within San José meets the City’s fire codes. Budgeted revenues in the Fire Development Fee Program Fund include transfers and reimbursements (\$8.3 million), licenses and permits (\$6.2 million), and interest earnings (\$144,000). Overall, revenue performance for the Fire Development Fee Program Fund is tracking at 79.21% (\$11.6 million), which exceeds the benchmark through December. This is largely due to the one-time transfer from the General Fund of \$8.3 million to close out excess revenues and reserves of the Fire Development Fee Program from the General Fund to the new special fund established for 2020-2021. The Fire Development Fee Program’s licensing and permit revenue collections total \$3.3 million through December, which is \$2.0 million (38.12%) lower than the prior year collections. The 2020-2021 Adopted Budget of \$6.2 million allows for a significant decrease (31.1%) from the 2019-2020 actual collection level of \$9.0 million due to anticipated decrease in fee activity as a result of the COVID-19 pandemic. Based on activity through December and expectations through June, Fire development revenues are projected to end the year at budgeted levels.

Expenditures – Through December, \$4.2 million (39.6%) has been expended and an additional \$599,000 has been encumbered, bringing the total commitments to \$4.8 million (45.2%). All Personal Services appropriations within the fund are tracking below expectations, with \$3.4 million (42.6%) expended and are projected to end the year slightly below budgeted levels, primarily due to vacancies. Non-Personal/Equipment commitments are tracking above budgeted levels (63.2%) with \$662,000 expended and encumbered, mostly for peak staffing consultant services. Overall, expenditures are projected to end the year at or slightly below budgeted levels.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

FIRE DEVELOPMENT FEE PROGRAM

FUND STATUS

Several budget adjustments are included in this report to increase the Fire Development Fee Program – Non-Personal/Equipment appropriation for the replacement of two retired inspection vehicles (\$92,000) and higher costs associated with the purchase of four new inspection vehicles that were approved in the 2019-2020 Adopted Budget (\$64,000). Additionally, there is a recommended decrease to the Transfer to the City Hall Debt Service Fund by \$28,000. Details regarding these recommendations can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

Ending Fund Balance – A recommendation to decrease the Ending Fund Balance by \$128,000 is included as a net result of the actions detailed in this report. After accounting for these actions, the revised Ending Fund Balance will be \$3.9 million.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

GENERAL PURPOSE PARKING FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	12,323,000	2,440,423	19.8%
<i>Expenditures</i>	14,859,820	7,024,717	47.3%
<i>Unrestricted Ending Fund Balance</i>	158,129	N/A	N/A

FUND STATUS

Revenues – Revenue for fees from parking garages and meters in the General Purpose Parking Fund comprises the majority of the fund’s revenue and is tracking below anticipated levels due to the impacts of the COVID-19 pandemic. The budgeted revenues include \$9.0 million from parking garages and meters, \$3.0 million from transfers from other funds, and \$358,000 from electrical vehicle charging stations and interest earnings.

Through the first half of 2020-2021, collections from parking garages and meters totaled \$2.4 million through December, which is 26.9% of the 2020-2021 Modified Budget estimate of \$9.0 million, reflecting lower than anticipated demand for parking facilities due to the COVID-19 pandemic. This collection level is 61.6% below prior year collections of \$6.3 million for the same period. As the current level of parking activity and corresponding collections is not expected to significantly increase for the remainder of the fiscal year, it is anticipated that revenues from parking garages and meters will total \$6.3 million, which is \$2.7 million less than the budgeted level.

The 2019-2020 Annual Report that was approved by the City Council on October 20, 2020 included a decrease to the revenue estimate by \$5.0 million based on revenue projections at that time. To partially offset the decreased revenue collection, a transfer from the General Purpose Parking Capital Fund of \$3.0 million was approved. Year-to-date actual revenue collection is tracking low, 19.8% of budget, in part because this transfer has not occurred as of December 2020, but the transfer will be made by the end of the fiscal year. To again offset the reduced revenue collections, a transfer of an additional \$2.7 million from the from the General Purpose Parking Capital Fund is recommended.

The continuing impact of the COVID-19 pandemic has significantly impacted collections from parking operations. Parking garages and meters were free for July 2020; the resumption of fees started on August 3, 2020. To minimize economic impact to customers during the ongoing pandemic, off-street garages now offer 90 minutes of free parking, and at this time there are no plans to reduce or make any changes to the 90 minutes of free parking. Charges for on-street meters are only taking place in the Downtown Core; parking is still free in the East Santa Clara, Old Civic Center, and Japantown zones.

2020-2021
MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

GENERAL PURPOSE PARKING FUND

FUND STATUS

There are no other concessions being contemplated that would impact garage revenues. Charging for on-street meters in zones outside of the Downtown Core would resume at some point, but no definitive timeline has been established. Staff will continue to closely monitor these revenue sources as the fiscal year progresses.

Included in this report are two revenue adjustment recommendations:

- Decrease the revenue estimate for Fees, Rates, and Charges by \$2.7 million, from \$9.0 million to \$6.3 million, based on current collection trends for parking garages and meters. Total collections from parking garages and meters are now expected to be 67.0% lower than from 2018-2019 levels; and
- Increase the revenue estimate for Transfers and Reimbursements by \$2.7 million, from \$3.0 million to \$5.7 million, to recognize a transfer from the General Purpose Parking Capital Fund to offset the anticipated loss of revenue from parking operations. Further detail regarding this recommendation can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

Expenditures – Overall expenditures of \$7.0 million are tracking at 47.3% of the Modified Budget, which consists primarily of overhead costs (\$2.1 million), transfers to other City funds (\$1.6 million), and Transportation Department personal services costs (\$1.0 million). In addition, \$5.7 million has been encumbered to date, including \$5.6 million of non-personal/equipment costs for the Transportation Department, primarily for the garage operator and security contracts. When including encumbered amounts, total commitments (\$12.8 million) through December are 85.9% of the Modified Budget, excluding reserved funds. However, as the encumbered funds are anticipated to be expended over the course of the fiscal year, appropriations in this fund are tracking within budgeted levels.

Ending Fund Balance – An increase of \$19,600 to the Ending Fund Balance is included as a result of an action to decrease the City Hall Debt Service Fund appropriation that is recommended in this report. After accounting for this action, the revised Ending Fund Balance will increase to approximately \$178,000.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

INTEGRATED WASTE MANAGEMENT FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	160,472,811	132,819,764	82.8%
<i>Expenditures</i>	170,298,143	53,754,085	31.6%
<i>Unrestricted Ending Fund Balance</i>	1,585,020	N/A	N/A

FUND STATUS

Revenues – Budgeted revenues in the Integrated Waste Management Fund include payments received from residential solid waste generators under the Recycle Plus Integrated Waste Management Program (Recycle Plus Collection Charges, \$148.0 million); AB 939 fees (\$3.7 million); Surplus Property Sales (\$3.0 million); Recycle Plus Negotiated Savings (\$2.7 million); payments received from the Construction and Demolition Diversion Deposit (CDDD) Program (\$810,000); interest earnings (\$659,000); revenue from land rentals (\$534,600); revenue received from Santa Clara County for Household Hazardous Waste programs (\$300,000); SB 332 Beverage Container Recycling payments (\$250,000); and Recycle Plus Late Fees (\$235,000).

Through December, revenues totaled \$132.8 million, or 82.8% of budget, and were generated primarily from Recycle Plus Collection Charges (\$128.2 million); Recycle Plus Negotiated Savings (\$1.3 million); AB 939 fees (\$993,000); CDDD revenues (\$489,000); Recycle Plus Late Fees (\$281,000); SB 332 Beverage Container Recycling payments (\$254,000); revenue from land rentals (\$236,000); and interest earnings (\$168,000). Overall, revenues are expected to end the year slightly above the budget.

During the development of the 2020-2021 Adopted Operating Budget, the originally proposed Recycle Plus rate increases of 15% for single-family dwellings and 7% for multi-family dwellings were reduced to 9% and 5%, respectively, in acknowledgment of the immediate economic hardship imposed by the COVID-19 pandemic. This reduction was facilitated by the identification of \$7.2 million in one-time funding solutions that did not substantively impact service delivery. As the one-time solutions identified for 2020-2021 are unlikely to be sustained into the future, significantly larger rate increases are anticipated for residential customers in 2021-2022 to meet the requirements of the City’s hauler agreements. The level of rate increases and potential trade-offs will be evaluated by the Administration and presented for City Council discussion during the 2021-2022 budget development and rate-setting process.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

INTEGRATED WASTE MANAGEMENT FUND

FUND STATUS

Expenditures – Through December, \$53.8 million (31.6%) was expended, with an additional \$105.0 million (61.7% of budget) encumbered, bringing the total commitments to \$158.8 million (93.2% of budget). The year-to-date expenditures and encumbrances of \$158.8 million are attributed primarily to the Recycle Plus contracts for Single-Family Dwelling (\$72.5 million), Yard Trimmings/Street Sweeping (\$26.2 million), and Multi-Family Dwelling (\$24.8 million). Additional expenditures include Single Family Dwelling Processing (\$19.0 million), IDC Disposal Agreement (\$4.5 million), Environmental Services Department (ESD) Personal Services (\$3.6 million), and ESD Non-Personal/Equipment (\$3.2 million) appropriations.

Overall, savings of approximately \$2 million are projected by the end of the year across various appropriations, with the largest estimated savings in the ESD Personal Services (\$1.2 million) due to vacancies in the department, ESD Non-Personal/Equipment (\$400,000) due to savings in contractual services, and savings in Personal Services and Non-Personal/Equipment appropriations for other City departments (\$471,000).

Ending Fund Balance – This report includes actions to increase the Ending Fund Balance by \$76,796 to offset a decrease to the transfer to the City Hall Debt Service Fund (\$130,796), an increase to the Workers' Compensation Claims appropriation to ESD for higher than anticipated settlement and medical treatment costs (\$50,000), and an increase to the Banking Services appropriation to the Finance Department (\$4,000). After accounting for these actions, the Ending Fund Balance increases slightly from \$1.59 million to \$1.66 million. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

PLANNING DEVELOPMENT FEE PROGRAM

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	8,984,573	6,837,147	76.1%
<i>Expenditures</i>	7,230,098	3,952,367	54.7%
<i>Unrestricted Ending Fund Balance</i>	1,754,475	N/A	N/A

FUND STATUS

Revenues – Overall revenue performance for the Planning Development Fee Program Fund is tracking above anticipated levels at 76.1% of the Modified Budget. The majority of the revenue through December is from a one-time transfer from the General Fund (\$3.1 million), which represents the close-out of the Planning Development Fee Program that was budgeted in the General Fund prior to the current year. Planning Permit revenues make up the remainder of year-to-date revenue. Through December, Planning Permit revenues of \$3.8 million are 0.6% lower than the 2019-2020 collection level for the same period (\$3.8 million). The 2020-2021 Adopted Budget of \$5.9 million allows for a 13.8% drop from the 2019-2020 actual collection level of \$6.8 million due to the ongoing COVID-19 pandemic. Based on current collection trends, Planning Fee revenues are anticipated to exceed the 2020-2021 budget revenue estimate of \$5.9 million by at least \$500,000.

This report includes a recommendation to increase the estimate for Fees, Rates, and Charges for planning permit revenue by \$500,000 based on year-to-date tracking and to support higher than anticipated personal services expenditures for the Planning, Building and Code Enforcement Department. The corresponding expenditure adjustment for this action and further detail regarding this recommendation can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

PLANNING DEVELOPMENT FEE PROGRAM

FUND STATUS

Expenditures – Through December 2020, total expenditures of \$4.0 million are tracking at 54.7% of Modified Budget. In addition, \$9,000 has been encumbered to date, maintaining total commitments (\$4.0 million) through December at 54.7% of the Modified Budget. All appropriations in this fund are tracking within budgeted levels except for the Planning, Building and Code Enforcement Department’s Personal Services appropriation. This appropriation is projected to exceed the Modified Budget by approximately \$750,000 due to redeploying staff from other programs to assist with Planning Development activity, higher position costs due to internal promotions, new hires with salaries higher than budgeted, and management pay for performance increases.

Several budget adjustments are included in this report, including increases to the Planning, Building and Code Enforcement Department’s Personal Services appropriation by \$750,000 to reflect higher than anticipated expenditures and an additional \$50,030 adjustment for Salary Program, which accounts for management pay for performance and benefit increases. Further detail regarding these and other recommendations can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

Ending Fund Balance – A recommendation to increase the Ending Fund Balance by \$235,508 is included in this report as a net result of the actions detailed in this report. After accounting for these actions, the revised Ending Fund Balance will be \$2.0 million.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

PUBLIC WORKS DEVELOPMENT FEE PROGRAM

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	18,945,039	13,477,353	71.1%
<i>Expenditures</i>	13,774,969	6,620,099	48.1%
<i>Unrestricted Ending Fund Balance</i>	5,170,070	N/A	N/A

FUND STATUS

Revenues – The Public Works Development Fee Program ensures that developments comply with regulations and provide appropriate public infrastructure, such as sidewalks, traffic signals, and streetlights. Overall revenue performance of \$13.5 million is tracking at 71.1% of the estimated budget, which exceeds the benchmark through December. This is largely due to the one-time transfer in from the General Fund of \$7.9 million to close out excess revenues and reserves of the Development Fee Program from the General Fund to the new special fund established for 2020-2021. Revenues from Fees, Rates, and Charges through December of \$5.6 million increased 14.8% from the prior year level of \$4.9 million. The Public Works Development Fee Program Fees, Rates, and Charges revenue collections are comprised of \$3.2 million from the Development Services Fee Program and \$2.4 million from the Utility Fee Program. Based on activity through December, collections in Public Works Development Services and Utility Fee revenues are projected to meet or exceed budgeted levels of \$10.9 million. Staff will continue to closely monitor these revenue sources as the fiscal year progresses.

Expenditures – Overall expenditures through December of \$6.6 million are tracking slightly below par at 48.1% of the Modified Budget of \$13.8 million. While most appropriations are projected to end the year within budgeted levels, the Public Works Development Fee Program - Non-Personal/Equipment appropriation is currently tracking to end the year above budgeted levels due to erroneous overhead charges, but once corrected, it is anticipated to end the year within budgeted levels. Additionally, some smaller appropriations such as the Public Works Development Fee Program - Personal Services (OED) and the Development Fee Programs - Shared Resources Non-Personal/Equipment (ITD) appropriations are projected to end the year slightly above budgeted levels. Staff will continue to monitor and bring forward budgetary adjustments as necessary.

Ending Fund Balance – A net increase to the Ending Fund Balance is recommended in this report to offset actions related to the Salary Program (-\$5,048) and Transfer to the City Hall Debt Service Fund (\$21,756).

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE-SANTA CLARA TREATMENT PLANT CAPITAL FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	336,451,000	54,418,867	16.2%
<i>Expenditures</i>	573,442,447	48,404,980	8.4%
<i>Unrestricted Ending Fund Balance</i>	1,871,804	N/A	N/A

FUND STATUS

Revenues – Budgeted revenue for the San Jose-Santa Clara Treatment Plant Capital Fund consists of financing proceeds (\$232.0 million); contributions from the City of Santa Clara and other Tributary Agencies (\$57.4 million); a transfer from the City of San José Sewer Service and Use Charge (SSUC) Fund (\$38.3 million); interest earnings (\$8.4 million); and Calpine Metcalf Energy Center Facilities Repayments (\$389,000). Through December, \$54.4 million (16.2%) has been received, primarily due to the transfer and tributary payments. Financing proceeds are expected to be realized in the fourth quarter of 2020-2021.

Each year, contributions from the tributary agencies are trued up for actual Treatment Plant expenditures and encumbrances from the prior year. Based on the reconciliation of prior year project expenditures, contributions from the tributary agencies for the current fiscal year are expected to be \$10.7 million lower than the budgeted estimate due to the timing of project expenditures and the impact on the contribution schedule. Fund balance, financing proceeds, and expected project savings will offset this shortfall. Based on current earnings through December, interest revenue for this fund may end the year \$3.1 million lower than the budgeted estimate of \$8.4 million. This reduced interest revenue amount is primarily due to lower amounts of cash on hand, the main factor in the accumulation of interest revenues, due to the flow of tributary agency revenues, financing revenues, and project expenditures. This does not represent a threat to the health of the fund, but does reduce the accumulated revenues interest earnings that would otherwise be available for expenditure allocations. The other revenue sources for this fund are anticipated to end the year at the budgeted levels.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE-SANTA CLARA TREATMENT PLANT CAPITAL FUND

FUND STATUS

Expenditures – Expenditures in this fund represent the costs of improvements and rehabilitation of the San José-Santa Clara Water Pollution Control Plant. The Modified Budget is \$573.4 million. The major expenditures in this fund are the Digated Sludge Dewatering Facility (\$137.7 million), New Headworks (\$128.7 million), Nitrification Clarifier Rehabilitation (\$52.7 million), Filter Rehabilitation (\$49.1 million), Digester and Thickener Facility Upgrades (\$32.9 million), Aeration Tanks and Blower Rehabilitation (\$25.8 million), Yard Piping and Road Improvement (\$20.2 million), Advanced Facility Control and Meter Replacement (\$18.3 million), Headworks Improvements (\$15.5 million), Program Management (\$15.4 million), Energy Generation Improvements (\$13.9 million), Plant Electrical Reliability (\$7.6 million), Legacy Lagoon Remediation (\$6.9 million), Support Building Improvements (\$6.5 million), Transfer to the Clean Water Financing Authority Payment Fund (\$5.5 million), Treatment Plant Distributed Control System (\$5.0 million), Owner Controlled Insurance Program (\$4.8 million), Debt Service for the Plant Capital Improvement Program (\$4.4 million) projects, and Facility Wide Water System Improvements (\$4.2 million).

Through December, \$48.4 million (8.4%) of the budget was expended and an additional \$262.0 million was encumbered, bringing overall commitments through December to 54.1% of the budget. A large portion of the budget is currently anticipated to be expended or encumbered on projects and related expenses by the end of the year.

Ending Fund Balance – No adjustment to the Ending Fund Balance is recommended at this time.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	131,070,000	107,334,900	81.9%
<i>Expenditures</i>	150,534,453	49,276,312	32.7%
<i>Unrestricted Ending Fund Balance</i>	5,442,510	N/A	N/A

FUND STATUS

Revenues – Budgeted revenue for the San José-Santa Clara Treatment Plant Operating Fund consists primarily of transfers from the Sewer Service and Use Charge Fund (\$85.5 million), contributions from the City of Santa Clara (\$17.5 million) and participating tributary agencies (\$27.3 million), and interest earnings (\$430,000). Through December, revenues totaled \$107.3 million, or 81.9% of the budgeted estimate.

The largest source of revenue, the transfer from the Sewer Service and Use Charge Fund (\$85.5 million), has been received in full. Contributions from Santa Clara and other tributary agencies are estimated to come in higher than budgeted levels. These contributions are made in four installments based on the amounts provided in the 2020-2021 Adopted Operating Budget. However, after the Comprehensive Annual Financial Report is released and prior year actuals are determined, the amounts owed by the agencies are adjusted accordingly. As a result of the final reconciliation for 2019-2020, this year’s agency reimbursement revenue is projected to come in above budget by \$970,000. Interest revenue through December has already slightly exceeded budgeted levels by approximately \$7,000 for a total of \$437,000. Overall, revenues are estimated to end the year at or slightly above the budget.

Elsewhere on the February 9, 2021 City Council agenda, staff requests approval to reduce the revenues from the Transfer from the Sewer Service and Use Charge Fund by \$23.2 million and from the tributary agencies by \$13.6 million for costs associated with the design and construction of the Legacy Lagoons Remediation (Phase 2) project. The timeframe for this project has been extended by up to four years to allow completion of the Shoreline Levee Project which is located in approximately the same physical location as the Legacy Lagoons Remediation project. Therefore, the budget will be reduced accordingly as the majority of the funds will not be spent this fiscal year but are expected to be programmed as part of a future budget process.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUND

FUND STATUS

Expenditures – Expenditures in this fund represent the costs required for the operation and maintenance of the San José-Santa Clara Water Pollution Control Plant and associated regulatory activities. Through December, \$49.3 million (32.7%) has been expended, and an additional \$15.3 million (10.2%) has been encumbered, bringing the total commitments to \$64.6 million (42.9%). Across Personal Services appropriations within the fund, expenditure levels are tracking slightly below expectations with \$26.3 million (45.4%) expended and are projected to end the year approximately 7% below budgeted levels (\$57.8 million). Non-Personal/Equipment commitments are slightly above the previous year’s levels with \$24.7 million committed through December, compared to \$24.2 million through December 2019. Overall, expenditures are projected to end the year at or slightly below budgeted levels.

Ending Fund Balance – No adjustment to the Ending Fund Balance is recommended at this time.

2020-2021 MID-YEAR BUDGET REVIEW

**STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS
SEWER SERVICE AND USE CHARGE CAPITAL IMPROVEMENT FUND**

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	36,339,000	33,137,003	91.2%
<i>Expenditures</i>	93,001,711	19,511,578	21.0%
<i>Unrestricted Ending Fund Balances</i>	16,253,973	N/A	N/A

FUND STATUS

Revenues – Budgeted revenue for the Sewer Service and Use Charge Capital Improvement Fund consists of transfers from the Sewer Service and Use Charge Fund (\$32.0 million), reimbursements from the West Valley Sanitation District (WVSD) and Cupertino for joint projects (\$2.8 million), and interest earnings (\$1.5 million).

Revenue through the end of December totals \$33.1 million (91.2%), consisting mainly of the transfer from the Sewer Service and Use Charge Fund (\$32.0 million). Interest revenue totaling \$585,000 has also been received through December. As funds are expended on projects within Cupertino and the WVSD, invoices are processed and issued to those agencies, for which reimbursements are received. Overall, revenues are expected to meet budgeted estimates by the end of the year.

Expenditures – Expenditures in this fund represent the costs of improvements and rehabilitation of the Sanitary Sewer System. The major expenditures in this fund are the 60” Brick Interceptor Rehabilitation project (\$24.9 million), Urgent Rehabilitation and Repair Projects allocation (\$13.7 million), Condition Assessment Sewer Repair (\$12.1 million), Cast Iron Pipe – Remove and Replace (\$10.1 million), Immediate Replacement and Diversion Projects (\$8.9 million), Infrastructure – Sanitary Sewer Condition Assessment (\$5.6 million), Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements (\$3.6 million), Sierra Road Sanitary Sewer Improvement (\$2.1 million), Capital Program and Public Works Department Support Service Costs (\$2.1 million), and Rehabilitation of Sanitary Sewer Pump Stations (\$1.9 million). Additional expenses include the Public Art allocation (\$995,000) and a transfer to the City Hall Debt Service Fund (\$306,000).

Through December, \$19.5 million (21.0%) of the budget was expended and an additional \$27.5 million was encumbered, bringing the total amount committed to 50.6%. Overall, expenditures are expected to meet budgeted levels by the end of the year.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

SEWER SERVICE AND USE CHARGE CAPITAL IMPROVEMENT FUND

FUND STATUS

Ending Fund Balance – This report includes actions to increase the Ending Fund Balance by \$59,000 to offset a decrease to the transfer to the City Hall Debt Service Fund (\$59,000). After accounting for these actions, the Ending Fund Balance increases slightly from \$16.25 million to \$16.31 million. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

TRANSIENT OCCUPANCY TAX FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	13,605,000	2,825,771	20.8%
<i>Expenditures</i>	17,899,648	10,088,719	56.4%
<i>Unrestricted Ending Fund Balance</i>	973,029	N/A	N/A

FUND STATUS

Revenues – Transient Occupancy Tax (TOT) Fund revenues through December totaled \$2.8 million, which represents a decline of 74.5% from the prior year level for the same period (\$11.1 million), exemplifying the drastic contraction in hotel activity in response to the continuing COVID-19 pandemic. This revenue level (20.8% of the budgeted estimate) is also significantly underperforming relative to the historical average performance (36.1%) at this point in the fiscal year. The TOT revenue estimate included in the 2020-2021 Adopted Budget already assumed considerable declines due to COVID-19 impacts on business and leisure travel, convention activity, and other public events, with collection levels not beginning to recover until the second half of 2020-2021. However, key performance indicators for hotel activity to date have fallen short of the lowered expectations.

Through December 2020, the average hotel occupancy rate reported for the San José market was 36.7%, a drop of 37.4 percentage points over the same period in 2019-2020 (74.1%). Average room rates also decreased by 46.9%, from \$191.50 to \$101.70, and the year-to-date average revenue-per-available room (RevPAR) decreased 73.7%, from \$141.96 to \$37.33, relative to the same period in 2019-2020. Moreover, this suppressed performance is unlikely to improve in the near-term due to the resurgence of COVID-19 and the imposition of travel restrictions and regional stay-at-home orders.

The 2020-2021 Adopted Budget estimate was built on the assumption that 2019-2020 receipts would total \$20.3 million and decrease 33% to \$13.6 million in 2020-2021 due to the ongoing impacts of COVID-19. As 2019-2020 receipts totaled \$21.2 million, the current budget estimate represents a 36% decline from prior year collections. However, due to the low TOT performance through the first half of the fiscal year, and the assumption that short-term activity will continue at extremely suppressed levels, the 2020-2021 Mid-Year Budget Review includes a recommendation to decrease the TOT budgeted estimate in the Transient Occupancy Tax Fund by \$5.2 million, from \$13.5 million to \$8.3 million. This revised budget represents a drop of 73.4% when compared with 2018-2019 actual receipts of \$30.9 million. Additional budgetary adjustments are also recommended in the General Fund, Convention and Cultural Affairs Funds, and the Convention Center Facilities District Funds, which are further discussed in Section I, *General Fund Status Report and Section II, Selected Special/Capital Funds Status Report*.

**2020-2021
MID-YEAR BUDGET REVIEW**

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

TRANSIENT OCCUPANCY TAX FUND

FUND STATUS

Expenditures – According to San José Municipal Code (Sections 4.72.060 and 4.72.065), Transient Occupancy Tax receipts are proportionally allocated for: operation of the San José Convention and Visitors Bureau (CVB) (25%); cultural grant programs managed by the Office of Economic Development (25%); and transfer to the Convention and Cultural Affairs Fund (50%) to support the contractual operations of the San José McEnery Convention Center and various cultural facilities owned by the City. Overall expenditures through December 2020, totaling \$10.1 million, represent 56.4% of the Modified Budget. To date, most budgeted funds have been transferred to the Convention and Cultural Affairs Fund and expended or encumbered for pass-through funding to Team San Jose for CVB operations.

Allocation of \$500,000 of the current unrestricted Ending Fund Balance within the TOT Fund is recommended to mitigate the immediate impact of the projected revenue loss. Additional proportional reductions equal to the balance (\$4.7 million) of the revenue reduction are recommended in this report to the Transfer to the Convention and Cultural Affairs Fund (\$2,350,000), Cultural Grants allocation (\$1,175,000), and San José Convention and Visitors Bureau allocation (\$1,175,000).

Further adjustments in the Convention and Cultural Affairs Funds are recommended to offset the reduced transfer from the TOT Fund, increase the subsidy for the contractual operation of the San José McEnery Convention Center and various cultural facilities owned by the City due to sustained business activity loss, and return funding previously planned for capital infrastructure needs at the supported facilities.

Ending Fund Balance – The adjustments recommended in this report reduce Ending Fund Balance in the TOT Fund by \$500,000, from \$973,029 to \$473,029. Further details on the above adjustments can be found in Section III, *Recommended Budget Adjustments and Clean-up Actions*, of this report.

2020-2021 MID-YEAR BUDGET REVIEW

STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

WATER UTILITY FUND

	2020-2021 Current Modified	2020-2021 YTD Actual	2020-2021 % of Budget
<i>Revenues</i>	52,781,318	24,251,017	45.9%
<i>Expenditures</i>	57,658,200	31,131,554	54.0%
<i>Unrestricted Ending Fund Balance</i>	1,920,164	N/A	N/A

FUND STATUS

Revenues – Budgeted revenues for the Water Utility Fund consists primarily of Metered Sales of water to residents of jurisdictions served by the San José Municipal Water System (\$45.7 million). Additional sources of revenue include Metered Sales of recycled water (\$6.2 million), interest revenue (\$435,000), Late Fees associated with Metered Sales of recycled and non-recycled water (\$300,000), and miscellaneous revenue associated with the sale of water (\$100,000).

The largest source of revenue in this fund, Metered Sales, is on track to meet the budget with \$20.5 million (44.8%) received through the end of December. Metered Sales of recycled water are tracking slightly above expectations with \$3.3 million (52.8%) received through the end of December. Late Fee revenue is tracking above expectations with \$406,000 (135.4%) received through December, while interest revenue is tracking below budgeted levels with \$57,000 (13.1%) received through the end of December. Overall, revenue is projected to end the year at the budgeted level. Historical and seasonal trends have shown that fluctuations in water consumption rates during the second half of the fiscal year can have significant impacts on year-end revenues. Close attention will be paid to Metered Sales revenues through the remainder of the year to ensure any necessary budgetary actions will be taken.

Expenditures – Expenditures in this fund represent the costs required for the operation and maintenance of the San José Municipal Water System. Most of the expenditures in this fund are budgeted in the Non-Personal/Equipment appropriation to the Environmental Services Department (\$38.9 million) for the purchase of water and related operational needs. Beyond that, Personal Services appropriations to the Environmental Services Department (ESD) (\$7.4 million) and other City departments (\$1.1 million) account for the next largest segment of operational expenditures. Non-operational expenses include transfers to other funds, primarily the Water Utility Capital Fund (\$7.3 million), and to the General Fund of Late Fee revenue (\$336,220) and City Hall Debt Service (\$181,204). Other expenditures include overhead (\$1.8 million) and costs associated with the transition of the Customer Information System (\$150,000).

**2020-2021
MID-YEAR BUDGET REVIEW**


STATUS OF SELECTED SPECIAL AND CAPITAL FUNDS

WATER UTILITY FUND

FUND STATUS

Through December, \$31.1 million (54.0%) has been expended, and an additional \$2.5 million (4.4%) has been encumbered, bringing the total commitments to 58.4%. Across Personal Services appropriations, expenditure levels of \$4.1 million through the end of December are tracking slightly below expectations, with 48.0% expended, and are projected to end the year slightly below budgeted levels. Non-Personal/Equipment commitments are above the previous year's levels with \$20.0 million (51.0%) expended through the end of December, compared to \$19.1 million through the end of December 2019. Overall, expenditures are projected to end the year below budgeted levels primarily due to expected vacancy savings within the Environmental Services Department.

Ending Fund Balance – This report includes actions to decrease the Ending Fund Balance by \$70,665 to offset a decrease to the transfer to the City Hall Debt Service Fund (\$34,374) and increases to the Banking Services appropriation to the Finance Department (\$12,000) and the Personal Services appropriation to ESD (\$93,039). After accounting for these actions, the Ending Fund Balance decreases slightly from \$1.92 million to \$1.85 million. Further details on the adjustments can be found in Section III of this report, *Recommended Budget Adjustments and Clean-up Actions*.



2020-2021

MID-YEAR
BUDGET
REVIEW



SECTION
III

RECOMMENDED
BUDGET ADJUSTMENTS AND
CLEAN-UP ACTIONS



**2020-2021
MID-YEAR BUDGET REVIEW**

**RECOMMENDED BUDGET ADJUSTMENTS
AND CLEAN-UP ACTIONS**

RECOMMENDED BUDGET ADJUSTMENTS

This section of the Mid-Year Budget Review describes recommended budget adjustments and is broken down by General Fund, Special Funds, and Capital Funds.

General Fund

Required Technical/Rebalancing Actions – These actions recommend adjustments to align already approved revenue estimates and expenditure budgets with the most current tracking information, or reallocate funding among appropriations based on updated needs. These actions also implement City Council direction.

Grants/Reimbursements/Fees – These actions, which have a net-zero impact, recognize new or adjusted grant, reimbursement, or fee activity revenue and adjust the appropriations for these purposes, as appropriate.

Special Funds

Special Fund Adjustments – These actions adjust revenue estimates based on current year collection information; recognize and appropriate revenues from new or adjusted grants, reimbursements, and fees; reallocate project funding from reserves; and/or establish a limited number of new projects and programs.

Capital Funds

Capital Fund Adjustments – These actions reflect changes in project and program allocations based on revised cost estimates and project timing; reallocate project funding from reserves; recognize and appropriate revenues from new or adjusted grants, reimbursements, and fees; and/or establish a limited number of new projects.

2020-2021
MID-YEAR BUDGET REVIEW

**RECOMMENDED BUDGET ADJUSTMENTS
AND CLEAN-UP ACTIONS**

RECOMMENDED CLEAN-UP ACTIONS

General Fund & Special/Capital Funds

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

Fund Balance Reconciliations – Beginning Fund Balances in each budgeted fund are adjusted each year as part of the Annual Report process based on unaudited Comprehensive Annual Financial Report (CAFR) statements. For some funds, however, additional actions are included in the Mid-Year Budget Review to further revise Beginning Fund Balances based on a reconciliation to the final audited 2019-2020 CAFR.

Salary and Benefits Program – Several actions are recommended to increase various department Personal Services appropriations to fund the non-pensionable increase and general wage increase that was negotiated and agreed to by the City and the Peace Officer Park Ranger Association (POPRA) bargaining unit; for Management Pay for Performance Program (MPP) costs, and for health benefit increases. The negotiated POPRA agreement was reached after the adoption of the budget. Adjustments were included for those departments that are not able to absorb these additional costs (\$3.0 million all funds and \$2.6 million General Fund). To offset these augmentations, this report includes recommendations to partially decrease the Salaries and Benefits Reserve allocation in the General Fund that was set aside for these increases in the 2020-2021 Adopted Operating Budget, and to reduce the Ending Fund Balance or other expenditure offset in the Special Funds as appropriate.

Voluntary Furlough/Reduced Work Week Program – Adjustments to various departments' Personal Services appropriations reflect implementation of the Voluntary Furlough/Reduced Work Week Program in 2020-2021. Savings in the General Fund of \$145,000 will be generated from employees taking unpaid time of (up to 45 hours) without the loss of accrued benefits (vacation, sick leave, and seniority) or reducing their weekly scheduled hours by as much as eight hours per week during the year. Savings of \$300,000 were assumed in the development of the 2020-2021 Adopted Budget and temporarily funded from the General Fund Salaries and Benefits Reserve. The actions reflected in this report remove the actual savings of \$145,000 from the departmental budgets and appropriately restore the funding to the Salaries and Benefits Reserve.

Rebudgets – These actions revise revenue and expenditure rebudgets of prior year funding based on 2019-2020 final year-end accounting adjustments.

Technical Adjustments – A variety of net-zero adjustments are recommended to reallocate funds for mobile data computer replacements from City-Wide Expenses to the Police Department (\$3.2 million) and consolidate the appropriations for Council Districts #4, #6, and #10 with the conclusion of the recent elections (\$2.2 million). Additional net-zero adjustments correct errors or re-align revenues and/or expenditures among appropriations for previously approved budget actions.

**2020-2021
MID-YEAR BUDGET REVIEW**

**RECOMMENDED BUDGET ADJUSTMENTS
AND CLEAN-UP ACTIONS**

RECOMMENDED CLEAN-UP ACTIONS

General Fund & Special/Capital Funds

Transfer to the City Hall Debt Service Fund (Debt Refunding Activities) – Technical adjustments are included to decrease the transfers from each individual Special and Capital Fund to the City Hall Debt Service Fund, which represents a decreased contribution to the City Hall debt service attributable to recent debt refunding activities. At its meeting on August 25, 2020, the City Council and the City of San José Financing Authority approved the issuance of taxable lease revenue bonds, Series 2020A, that refunded a significant portion of the outstanding debt related to the original construction of City Hall and pays for the full build-out of existing space within the 4th and San Fernando Garage for office space that will be occupied by the Community Energy Department. The debt refunding activities and the resulting debt service savings was anticipated in the 2020-2021 Adopted Budget; however, due to the continued decline of interest rates for municipal debt, the actual debt service savings increased. Corresponding actions to reduce the Transfers and Reimbursements to the City Hall Debt Service Fund from Special and Capital Funds, as well as a corresponding decrease for City Hall Debt Service Payments appropriation were included in the 2019-2020 Annual Report.

Transfer to the General Fund - Interest Earnings – These actions increase the Transfer to the General Fund – Interest Earnings allocations to reflect the redistribution of interest earned in 2019-2020 on cash balances across all City funds, which was required to properly allocate interest proceeds to the Coronavirus Relief Fund (CRF). Due to the timing of the 2019-2020 fiscal year closing, the General Fund reimbursed CRF for all interest earnings that City funds had incorrectly received in 2019-2020. However, as part of this report, actions are recommended to reimburse the General Fund from the impacted Special and Capital Funds.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Urgent Fiscal- Program Needs	Non-Personal/Equipment (Redaction Services)	Police Department	-	\$58,000	-
	<p>This action increases the Police Department's Non-Personal/Equipment appropriation by \$58,000 to fund the augmentation to the existing Body Worn Camera program utilizing Axon's Redaction Assistant module. This module allows for automatic redaction in videos of common objects such as mobile data computers (MDC) screens, faces, and license plates. Program staff was granted temporary access to the software and conducted an analysis performing redactions manually versus the software module and they found that there was a 48% time-savings using the software. This increase in efficiency will help improve timeliness of responses to public records act requests.</p>				
	Urgent Fiscal-Program Needs		-	\$58,000	-
	Google Parking Lots Option Payment Reserve/Other Revenue (ABC Parking Lots)	City Manager - Office of Economic Development	-	\$1,100,000	\$1,100,000
	<p>This action increases the Google Parking Lots Option Payment Reserve and estimate for Other Revenue by \$1.1 million to recognize proceeds from the 2020-2021 Option payment made by Google. On December 4, 2018, the City Council approved the sale of city-owned properties in the Diridon Station Area to Google for the development of the Diridon Station Area. On December 4, 2018, the City Council also approved an Option Agreement with Google for the potential sale of SAP Center Lots A/B/C located at 525 W. Santa Clara Street and 566 W. Julian Street to Google should certain conditions be satisfied. The Option Agreement accounts for a potential of five Option payments; the first three are to be held and returned to Google should the sale not take place. If the sale does take place the first three Option payments would be credited toward the purchase price. According to the agreement, the payments will be held in a reserve until Google San Jose Arena Management and the City come to an agreement on an alternative parking arrangement for the SAP Center and a Parking Agreement Amendment is executed. This is the third payment of the Option Agreement, bringing the total payment amount to \$2.7 million.</p>				

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Required Technical- Rebalancing Actions	Sanitary Sewer Fees	Environmental Services Department	-	\$60,235	-
	<p>This action increases the Sanitary Sewer Fees appropriation by \$60,235, from \$540,000 to \$600,235, to pay for sanitary sewer fees attributed to City-owned properties. This action aligns the budgeted amount for the Sanitary Sewer Fees appropriation with projected year-end estimates.</p>				
	Storm Fees	Environmental Services Department	-	(\$36,500)	-
<p>This action decreases the Storm Fees appropriation by \$36,500, from \$350,000 to \$313,500, to recognize savings in storm sewer fees attributed to City-owned properties. This action aligns the budgeted amount for the Storm Fees appropriation with projected year-end estimates.</p>					
	Banking Services/Other Revenue (Merchant Card Service Finance Fee)	Department	-	(\$312,000)	(\$415,000)
<p>This action decreases the Banking Services City-Wide Expenses appropriation by \$312,000, from \$1,708,000 to \$1,396,000, and decreases the estimates for Other Revenue by \$415,000 to reflect an expense credit and updated forecasts for merchant card processing. The City is implementing a new 2.4% credit card service fee in March 2021, consistent with direction in the 2020-2021 Adopted Budget which assumed implementation by January 2021, and also that the City would collect and administer the fees. Instead, as described in the memorandum approved by the City Council at their meeting on December 8, 2020, the City's expenses will be credited by the merchant card processors. Corresponding actions are recommended elsewhere in this report to decrease the Banking Services appropriation in the Airport Maintenance and Operation Fund by \$89,000, and increase the Banking Services appropriations in the Integrated Waste Management Fund by \$4,000 and the Water Utility Fund by \$12,000. Implementing the new service fee is anticipated to result in net General Fund savings of \$1.03 million on an ongoing basis.</p>					

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Insurance Premiums	Finance Department	-	\$13,700	-

This action increases the Insurance Premiums City-Wide Expenses appropriation by \$13,700, from \$1.28 million to \$1.29 million, to provide one-time funding to the Finance Department for overlapping insurance brokerage services from April 1, 2021 through June 30, 2021. Overlapping services will ensure continuity for the City's insurance program in the event of transition of service following a new competitive procurement process. Corresponding actions to increase the Police Officers' Professional Liability Insurance appropriation in the General Fund and Insurance Expenses appropriation in the Convention and Cultural Affairs Fund are recommended elsewhere in this report.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Pension Obligation Bond Consulting Services)	Finance Department	-	\$300,000	-

This action increases the Finance Department's Non-Personal/Equipment appropriation by \$300,000 for consulting and legal services to evaluate and prepare for the potential issuance of Pension Obligation Bonds (POBs). On December 1, 2020, the City Council directed staff to conduct a study session on pension obligation bonds in spring 2021 which includes research on prevalence and performance of POBs; impact on credit ratings; sensitivity analyses on varying sizes of POBs; risk tolerance levels; cost-benefit analyses; strategies for recognizing and applying savings; and if the City Council decides to proceed forward, commence the process of preparing documentation for bond validation and ultimate issuance of POBs. The Finance Department is finalizing the RFP for municipal advisors for Phase I (report for Council Study Session) and the City Attorney's Office is finalizing the selection of bond counsel to assist in preparing for the April study session and subsequent preparation of bond documentation necessary for the court validation, if directed to proceed by the City Council. Additional funds may be necessary for the Phase II scope of work, which includes development of legal documents for court validation process and commencement of judicial validation process. Any need for additional funding will be brought forward as part of the 2021-2022 budget process. If the City ultimately issues POBs, these costs can be reimbursed from bond proceeds. It is important to note that, given the amount of time required, any budgetary impacts related to the potential issuance of POBs will not be incorporated into the 2021-2022 Proposed Operating Budget. Should the City Council decide to not move forward with the issuance of pension obligation bonds, any savings from the allocation that would have helped fund bond documentation and court validation efforts will be returned to the General Fund as part of the year-end budget process.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Police Officers' Professional Liability Insurance</p> <p>This action increases the Police Officers' Professional Liability Insurance City-Wide Expenses appropriation by \$1,300, from \$100,500 to \$101,800, to provide one-time funding to the Finance Department for overlapping insurance brokerage services from April 1, 2021 through June 30, 2021. Overlapping services will ensure continuity for the City's insurance program in the event of transition of service following a new competitive procurement process. Corresponding actions to increase the Insurance Premium appropriation in the General Fund and Insurance Expenses appropriation in the Convention and Cultural Affairs Fund are recommended elsewhere in this report.</p>	Finance Department	-	\$1,300	-
<p>Property Tax Administration Fee</p> <p>This action increases the Property Tax Administration Fee City-Wide Expenses appropriation by \$110,000, from \$1,912,500 to \$2,022,500, to align the appropriation with updated costs received from Santa Clara County for administrative responsibilities related to the collection and distribution of the City's portion of property tax proceeds. Corresponding ongoing adjustments will be incorporated into the 2021-2022 Operating Budget to align budget to projected costs.</p>	Finance Department	-	\$110,000	-
<p>Non-Personal/Equipment (Urban Search and Rescue Training)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$46,339 for Urban Search and Rescue training. This funding is for training courses for Trench Rescue, Water Rescue River, and Flood Technician. The Department was initially granted the 2018 Urban Areas Security Initiative (UASI) grant for these trainings which was rebudgeted in the 2020-2021 Adopted Budget. However, due to COVID-19 restrictions, the Department was unable to facilitate the trainings during the grant's period of performance and therefore the grant funds will need to be returned.</p>	Fire Department	-	\$46,339	-

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Urban Areas Security Initiative Grant - Fire 2018/Revenue from the Federal Government (2018 UASI - HERS Training)	Fire Department	-	(\$16,395)	(\$51,561)

This action decreases the Urban Areas Security Initiative Grant - Fire 2018 appropriation by \$16,395 and the estimate for Revenue from the Federal Government by \$51,561. In 2018, UASI awarded the Fire Department \$55,561 for various trainings including Hazmat A-D, All Hazard Safety Training, and Heavy Equipment Rigging Specialist (HERS) Training. The Fire Department was able to utilize \$4,000 of these funds for trainings; however, due to scheduling conflicts and uncertainty caused by the shelter-in-place order, the HERS Training was not able to be facilitated prior to the grant period's end date. The Department requested an extension for use of the award but was ultimately denied. The decrease represents an unexpended \$16,395 that was rebudgeted as part of the 2020-2021 Adopted Budget and \$35,000 that was encumbered in 2019-2020.

Workers' Compensation Claims - Fire	Fire Department	-	\$500,000	-
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This action increases the Workers' Compensation Claims – Fire appropriation by \$500,000, from \$7.5 million to \$8.0 million, to align the budget with actual settlements and medical treatment costs through December 2020, and projected activity for the remainder of 2020-2021. Several actions to reallocate funds between the various Workers' Compensation Claims appropriations in the General Fund are recommended elsewhere in this report to align the budget with the projected needs.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Property Tax	General Fund Revenue	-	-	(\$9,000,000)
<p>This action decreases the Property Tax estimate by a net of \$9.0 million, from \$370.5 million to \$361.5 million, to reflect lower Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax revenue (-\$10.0 million), partially offset by higher than anticipated Unsecured Property Tax revenue (\$1.0 million). As the result of a State of California Appellate Court decision, the distribution formula related to all California residual property tax revenue from former Redevelopment Agencies has been changed, resulting in a loss of approximately \$10 million in 2020-2021 (from \$21.0 million to \$11.2 million) to the City of San José. The \$10 million reduction is attributable to revisions to disbursements from the past three years (\$7 million) and a revision to the estimated amount attributable to 2020-2021 (\$3 million). Partially offsetting this decline is an anticipated increase of \$1 million in Unsecured Property Tax collections. Based on preliminary information provided by Santa Clara County, Unsecured Property Tax receipts are anticipated to total over \$14 million in 2020-2021, which is approximately \$1 million over the budgeted estimate of \$13.1 million.</p>				
Real Property Transfer Tax (Measure E)	General Fund Revenue	-	-	\$10,000,000
<p>This action increases the Real Property Transfer Tax estimate by \$10.0 million, from \$30.0 million to \$40.0 million, to reflect higher than anticipated collections. On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. The 2020-2021 Adopted Budget estimate for this new tax totals \$30.0 million, and will be expended on homeless prevention and affordable housing projects and programs. Based on collections received through December (\$22.5 million) it is anticipated 2020-2021 collections will exceed the Adopted Budget estimate by approximately \$10.0 million and end the year at \$40.0 million. Offsetting the recommended increase in revenue are corresponding expenditure adjustments related to homeless prevention and affordable housing, which are discussed elsewhere in this report.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Sales Tax	General Fund Revenue	-	-	\$20,000,000

This action increases the Sales Tax estimate by \$20.0 million, from \$242.5 million to \$262.5 million, to reflect higher than anticipated General Sales Tax collections. The 2020-2021 General Sales Tax estimate was built on the assumption that 2019-2020 receipts would total \$201.0 million and drop 4.5% to \$192.0 million in 2020-2021. However, since 2019-2020 receipts ended the year at \$211.0 million, receipts can drop by 9.0% and meet the budgeted estimate. The first payment for Sales Tax was received in November (July-September activity), and represented a 5.5% decline from the first quarter payment of 2019-2020. Therefore, at this time, based on the performance for the final quarter of 2019-2020 and the first quarter payment of 2020-2021, it is anticipated that General Sales Tax will exceed the budgeted estimate by \$20 million, totaling \$212 million in 2020-2021. When excluding proceeds from the Revenue Capture Agreement, which did not take effect until October 2019, the revised estimate for General Sales Tax collections is approximately 6.4% below 2019-2020 collections.

Transient Occupancy Tax	General Fund Revenue	-	-	(\$3,500,000)
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This action decreases the revenue estimated for Transient Occupancy Tax by \$3.5 million, from \$9.0 million to \$5.5 million, to reflect the continuing impacts of COVID-19 and suppressed hotel activity. This forecast revision better aligns with year-to-date performance and the adjusted outlook for the remainder of 2020-2021. Corresponding adjustments to estimated revenues in the Transient Occupancy Tax Fund, Convention and Cultural Affairs Funds, and Convention Center Facility District Funds are recommended elsewhere in this report to decrease projected revenues and make rebalancing adjustments.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Measure E - 10% Homelessness Prevention Reserve	Housing Department	-	\$1,000,000	-
<p>This action reestablishes the Measure E – 10% Homelessness Prevention Reserve in the amount of \$1.0 million to allocate additional Real Property Transfer Tax (Measure E) proceeds in accordance with City Council Policy 1-18, Section 22. Measure E revenues are allocated to support affordable housing and homelessness prevention, with the spending plan first setting aside 5% of the overall revenues for program administration. Of the remaining funding: 45% is set aside for permanent supportive and affordable rental housing for extremely low-income households; 35% is set aside for affordable rental housing for low-income households; 10% is set aside for below market-rate for-sale housing and rental housing for moderate income households; and, 10% is set aside for homelessness prevention. A series of corresponding adjustments to allocate the remainder of the estimated \$10 million increase, from \$30.0 million to \$40.0 million, in the real property transfer tax for 2020-2021 is recommended elsewhere in this report.</p>				

Measure E - 10% Moderate Income Reserve	Housing Department	-	\$1,000,000	-
<p>This action increases the Measure E – 10% Moderate Income Reserve in the amount of \$1.0 million, from \$2.85 to \$3.85 million, to allocate additional Real Property Transfer Tax (Measure E) proceeds in accordance with City Council Policy 1-18, Section 22. Measure E revenues are allocated to support affordable housing and homelessness prevention, with the spending plan first setting aside 5% of the overall revenues for program administration. Of the remaining funding: 45% is set aside for permanent supportive and affordable rental housing for extremely low-income households; 35% is set aside for affordable rental housing for low-income households; 10% is set aside for below market-rate for-sale housing and rental housing for moderate income households; and, 10% is set aside for homelessness prevention. A series of corresponding adjustments to allocate the remainder of the estimated \$10 million increase, from \$30.0 million to \$40.0 million, in the real property transfer tax for 2020-2021 is recommended elsewhere in this report.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Measure E - 35% Low Income Reserve</p> <p>This action increases the Measure E – 35% Low Income Reserve in the amount of \$3.5 million, from \$10.0 to \$13.5 million, to allocate additional Real Property Transfer Tax (Measure E) proceeds in accordance with City Council Policy 1-18, Section 22. Measure E revenues are allocated to support affordable housing and homelessness prevention, with the spending plan first setting aside 5% of the overall revenues for program administration. Of the remaining funding: 45% is set aside for permanent supportive and affordable rental housing for extremely low-income households; 35% is set aside for affordable rental housing for low-income households; 10% is set aside for below market-rate for-sale housing and rental housing for moderate income households; and, 10% is set aside for homelessness prevention. A series of corresponding adjustments to allocate the remainder of the estimated \$10 million increase, from \$30.0 million to \$40.0 million, in the real property transfer tax for 2020-2021 is recommended elsewhere in this report.</p>	Housing Department	-	\$3,500,000	-
<p>Measure E - 45% Extremely Low Income Reserve</p> <p>This action increases the Measure E – 45% Extremely Low Income Reserve in the amount of \$4.5 million, from \$12.8 to \$17.3 million, to allocate additional Real Property Transfer Tax (Measure E) proceeds in accordance with City Council Policy 1-18, Section 22. Measure E revenues are allocated to support affordable housing and homelessness prevention, with the spending plan first setting aside 5% of the overall revenues for program administration. Of the remaining funding: 45% is set aside for permanent supportive and affordable rental housing for extremely low-income households; 35% is set aside for affordable rental housing for low-income households; 10% is set aside for below market-rate for-sale housing and rental housing for moderate income households; and, 10% is set aside for homelessness prevention. A series of corresponding adjustments to allocate the remainder of the estimated \$10 million increase, from \$30.0 million to \$40.0 million, in the real property transfer tax for 2020-2021 is recommended elsewhere in this report.</p>	Housing Department	-	\$4,500,000	-

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from the Self-Insured Medical Fund)	Human Resources Department	-	-	\$1,000,000

This action establishes a transfer to the General Fund in the amount of \$1.0 million. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. However, the Payment of Claims within the Self-Insured Medical Fund were lower than anticipated, leaving an available balance that can be returned to the General Fund. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment. This transfer reflects a portion of the fund balance that is left in this fund after the close-out period. A full reconciliation of this fund and a transfer of the remaining fund balance will happen at the end of this fiscal year.

Workers' Compensation Claims - Other Departments	Human Resources Department	-	\$250,000	-
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This action increases the Workers' Compensation Claims – Other Departments appropriation by \$250,000, from \$850,000 to \$1.1 million, to align the budget with actual settlements and medical treatment costs through December 2020, and projected activity for the remainder of 2020-2021. Several actions to reallocate funds between the various Workers' Compensation Claims appropriations in the General Fund are recommended elsewhere in this report to align the budget with the projected needs.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Windows 10 Enterprise Operating System Licenses)</p> <p>This action increases the Information Technology Department's Non-Personal/Equipment appropriation by \$98,000 for the purchase of 1,180 Windows 10 Enterprise Operating System Licenses for the Police and Fire Departments. Through a current effort to modernize and secure hardware and software licensing through the Windows 10 Project, staff discovered gaps related to asset management and reporting by department IT groups. The City recently identified 1,180 mobile computers (1,041 in Police and 139 in Fire) that require an immediate upgrade of Microsoft Operating Systems to avoid important vulnerabilities related to computer operating system software. The total combined one-time cost for the licensing is \$158,000 (partially offset by ITD one-time project savings of \$60,000) with an annual software assurance cost of \$68,440.</p>	Information Technology Department	-	\$98,000	-
<p>Elections and Ballot Measures</p> <p>This action increases the Elections and Ballot Measures City-Wide Expenses appropriation to the Office of the City Clerk by \$294,040, from \$2,882,000 to \$3,176,040, to provide adequate funding based on the actual costs for the November 2020 Election.</p>	Office of the City Clerk	-	\$294,040	-
<p>Non-Personal/Equipment (Charter Review Commission)</p> <p>This action increases the Non-Personal/Equipment appropriation to the Office of the City Clerk by \$108,000 to support contractual services related to the Charter Review Commission. On July 28, 2020, the City Council provided direction to establish a Charter Review Commission to examine the City's governance structure and solicit community input. These funds will support the consulting services to facilitate the Commission.</p>	Office of the City Clerk	-	\$108,000	-
<p>Non-Personal/Equipment (Redistricting Commission)</p> <p>This action increases the Non-Personal/Equipment appropriation to the Office of the City Clerk by \$150,000 to support contractual services related to the Redistricting Commission. These funds support necessary consulting services to ensure the redistricting process and final map comply with federal, state and local laws.</p>	Office of the City Clerk	-	\$150,000	-

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue from Federal Government (UASI Grant Revenue 2020)	Office of the City Manager	-	-	\$320,355

This action increases the estimate for Revenue from Federal Government by \$320,355 to recognize funding from the 2020 Urban Areas Security Initiative (UASI) grant. The revenue estimate for this grant was inadvertently reduced as part of the 2019-2020 Annual Report and this action aligns the revenue estimate with the actual collections. The funding supports four limited positions in the Office of Emergency Management for: community resource planning; development of a City of San José Mass Care Plan; coordination of the Emergency Operations Center (EOC) Readiness Plan that includes management of services, resources, and systems for San José's primary, alternate, and mobile EOC; and coordination of emergency alert and warning services.

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Salaries and Benefits Reserve	Office of the City Manager	-	(\$4,322,324)	-

This action decreases the Salaries and Benefits Reserve by \$4.3 million, from \$24.1 million to \$19.8 million. As part of the 2020-2021 Adopted Operating Budget, \$4.6 million was set aside for the Management Pay for Performance Program (MPP) salary increases, actual employee benefit costs, and general wage increases that was negotiated and agreed to by the City and the Peace Officer Park Ranger Association (POPRA) bargaining unit. Due, in part, to cost control efforts of the Administration that included a hiring freeze exemption review process to manage vacancies, of the \$4.6 million, only \$2.6 million is recommended to be distributed to various department's Personal Services appropriation as part of this report and the remaining allocation of \$2.0 million is recommended to be used as a balancing action to offset the actions included in this report. Also, as part of the Salaries and Benefits Reserve, \$2.5 million was set aside for City contributions related to the Federated City Employees Retirement System plan that were not previously incorporated into the Base Budget. Again, due to vacancy savings and cost control measures, these funds are not anticipated to be necessary and can be released as a balancing action to offset the adjustments included in this report. In addition, a savings of \$300,000 was assumed for the Voluntary Furlough/Reduced Work Week Program and was temporarily funded from the Salaries and Benefits Reserve; however, only \$145,000 of savings was achieved from employees who opted for the program, resulting in an amount of \$155,000 that could not be recognized as savings. After accounting for all these actions, a net savings of \$4.3 million remains in the Salaries and Benefits Reserve, which is recommended to be used as a balancing action to offset the actions included in this report.

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Fee Activities	Parks, Recreation and Neighborhood Services Department	-	(\$4,000,000)	-
<p>This action decreases the Parks, Recreation and Neighborhood Services Department's Fee Activities appropriation by \$4.0 million from, \$9.9 million to \$5.9 million, to reflect a partial offset to the reduction in the revenue estimate for Fees, Rates and Charges that is included elsewhere in this report. The effects of COVID-19 have significantly impacted community programming offered by PRNS. While there are some revenue generating programs that have been suspended this year altogether and were accounted for in the 2020-2021 Adopted Operating Budget (Family Camp and Aquatics Program), other fee activity programs such as R.O.C.K. 'n' Learn "learning pods" and San Jose Recreation Preschool are operating at no cost to participants during the pandemic. In addition, while revenue streams associated with Camps, Leisure Classes, Happy Hollow Park & Zoo food concessions, and Sports Leagues remain severely limited or non-existent due to public health constraints, the fixed costs for staffing these programs have continued in support of modified programming, administrative and facility management duties, and the reallocation of staff responsibilities in support of various EOC-directed and other assignments (health screenings, childcare, food distribution, community sheltering, 2020 Census, etc.). While the Administration will look to offset EOC-directed costs with eligible external funding sources, a portion of the costs will likely need to be absorbed.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Fees, Rates, and Charges (Parks, Recreation and Neighborhood Services Fees)</p> <p>This action decreases the estimate for Parks, Recreation and Neighborhood Services departmental revenue in the Fees, Rates, and Charges category by \$17.0 million from, \$18.1 million to \$1.1 million, to reflect the anticipated decrease in revenue for the significant drop in program activity levels. This drop in revenue is attributable to the pandemic and shelter-in-place mandate and the department's inability to deliver programming similar to levels achieved prior to the County Health orders. The Department anticipates significantly lower revenues for the current 2020-2021 fiscal year, given two factors: the prolonged and continued suspension of many services; and the need to continue to subsidize program participation for our most vulnerable populations who greatly benefit from R.O.C.K. 'n' Learn "learning pods" and San José Recreation Preschool. Due to the subsidization of the R.O.C.K 'n' Learn program, the department is anticipating a \$2.3 million loss in revenue from this program and a loss of \$700,000 from the San Jose Recreation Preschool program. A corresponding action to reduce the PRNS Fee Activities appropriation by \$4.0 million is recommended elsewhere in this report to partially offset this action.</p>	Parks, Recreation and Neighborhood Services Department	-	-	(\$17,000,000)
<p>Transfer to the Municipal Golf Course Fund</p> <p>This action decreases the transfer from the General Fund Services to the Municipal Golf Course Fund by \$1.0 million, from \$9.7 million to \$8.7 million to reflect higher than anticipated operating revenues during 2020-2021 and lower net operating assistance requirements from the General Fund for the Los Lagos Golf Course and Rancho del Pueblo Golf Course. Corresponding adjustments in the Municipal Golf Course Fund to recognize additional Revenue from the Use of Money/Property, to decrease the estimate for Transfers and Reimbursement, and to decrease the Ending Fund Balance are recommended elsewhere in this report.</p>	Parks, Recreation and Neighborhood Services Department	-	(\$1,000,000)	-

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Transfers and Reimbursements (Construction and Conveyance Tax Funds for Operating and Maintenance Exp)</p> <p>This action increases the estimate for Transfers and Reimbursements by \$978,000, from \$118.7 million to \$119.7 million, to recognize a transfer from the Parks Maintenance C&C Tax Fund (\$960,000) and from the Park Yards C&C Tax Fund (\$18,000) for operating and maintenance costs to account for higher than anticipated Construction and Conveyance Tax (C&C) revenue collections. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department. Corresponding actions to increase the Parks C&C revenue estimate from \$19.2 million to \$25.6 million are recommended elsewhere in this report.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	-	\$978,000
<p>Non-Personal/Equipment (Code Enforcement Fee Program Consultant Study)</p> <p>This action increases the Planning, Building and Code Enforcement Department's Non-Personal/Equipment appropriation by \$200,000 to provide funding for a consultant study of Code Enforcement Fee programs with a special focus on the Multiple Housing Occupancy Permit Program. The scope of the consultant will include an overview of program processes and fee structures with recommendations for improvements. This consultant study will also help determine the requirements for a new Code Enforcement Permitting System application. This action is needed to provide sufficient funding to encumber funds for the consultant contract, which is expected to be executed by April 2021. A corresponding decrease to the Planning, Building and Code Enforcement Department's Personal Services appropriation is also recommended to offset this action.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$200,000	-

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$200,000 to recognize vacancy savings in the Multiple Housing Occupancy Permit Program. These savings are recommended to be reallocated to the Planning, Building and Code Enforcement Department's Non-Personal/Equipment appropriation to provide funding for a consultant study of Code Enforcement Fee programs with a special focus on the Multiple Housing Occupancy Permit Program. A corresponding increase to the Planning, Building and Code Enforcement Department's Non-Personal/Equipment appropriation is also recommended to offset this action.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	(\$200,000)	-
<p>Bulletproof Vest Partnership 2018/Revenue from Federal Government</p> <p>This action reduces the Police Department's Non-Personal/Equipment appropriation by \$1,390 and reduces the estimate for Revenue from the Federal Government by \$72,547. Funds were inadvertently budgeted with the expectation of full grant funding for equipment acquisition; however, the reimbursement basis was later confirmed as fifty percent of eligible expenses. This adjustment realigns budgeted revenues with actual expenditures and reimbursements.</p>	Police Department	-	(\$1,390)	(\$72,547)
<p>Other Revenue (Sale of Fixed Wing Aircraft)</p> <p>This action increases the estimate for Other Revenue by \$183,975 to recognize proceeds from the sale of a fixed wing aircraft in August of 2020. The Department is looking to replace its' existing aircraft which is anticipated to cost approximately \$5.7 million, and will require replacement in approximately 6-8 years.</p>	Police Department	-	-	\$183,975

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Janitorial Services Contract)</p> <p>This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$835,000 to account for increased costs for janitorial services. On October 6th, 2020, the City Council approved an agreement with PRIDE Industries One Inc. for janitorial services for City Hall, community centers, libraries, and the Police Department facilities. The new contract is a 40% increase from the previous contract. This adjustment accounts for the increased cost for 2020-2021, primarily associated with labor costs, from the beginning of the contract in November 2020 through June 2021. A \$250,000 decrease to the Public Works Department's Personal Services appropriation is recommended elsewhere in this document to partially offset this action. The ongoing costs associated with the new contract will be incorporated into the 2021-2022 Operating Budget.</p>	Public Works Department	-	\$835,000	-
<p>Personal Services (Vacancy Savings)</p> <p>This action decreases the Public Works Department's Personal Services appropriation by \$250,000 to recognize vacancy savings. This decrease will partially offset an increase to the Public Works Department's Non-Personal/Equipment appropriation to fund increased costs for janitorial services that is recommended elsewhere in this report.</p>	Public Works Department	-	(\$250,000)	-
<p>Revenue from Local Agencies (VTA Bus Shelter Revenue)</p> <p>This action increases the estimate for Revenue from Local Agencies by \$260,415, from \$22.8 million to \$23.1 million, to recognize revenue from the Santa Clara Valley Transportation Authority (VTA). As stated in an agreement between the City and VTA, scheduled for City Council approval on February 9, 2021, the VTA provides a share of bus shelter advertising revenue generated from bus shelters located in the City of San José retroactive from January 1, 2018 through December 31, 2021. Half of all revenue earned is shared with the City and based on the proportion of bus shelters located in the public right of way in the City. This action recognizes two years of retroactive payments for revenue generated from calendar year 2018 and 2019.</p>	Public Works Department	-	-	\$260,415

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from Small Cell Permitting Fee Program Fund)	Public Works Department	-	-	(\$707,632)

This action decreases the revenue estimate for Transfers and Reimbursements by \$707,632, from \$118.7 million to \$118.0 million, to recognize a reduction to the transfer from the Small Cell Permitting Fee Program Fund. This action corrects a previous increase to the transfer included in the 2019-2020 Annual Report. After the final closeout of 2019-2020 and reconciliation of the Small Cell Permitting Fee Program, the amount to transfer due to the General Fund is \$466,100, not the \$1.2 million included in the 2019-2020 Annual Report. Corresponding actions in the Small Cell Permitting Fee Program Fund are recommended elsewhere in this report.

Workers' Compensation Claims - Public Works	Public Works Department	-	(\$375,000)	-
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This action decreases the Workers' Compensation Claims – Public Works appropriation by \$375,000, from \$650,000 to \$275,000, consistent with actual settlements and medical treatment costs through December 2020, and projected activity for the remainder of 2020-2021. Several actions to reallocate funds between the various Workers' Compensation Claims appropriations in the General Fund are recommended elsewhere in this report to align the budget with the projected needs.

Non-Personal/Equipment (Electrician Contractors)	Transportation Department	-	\$500,000	-
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This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$500,000 to fund contracted electrician services for shift coverage. Due to a number of Electrician vacancies in the Department, in-house staff are not available to cover mandatory graveyard and weekend on-call shifts to address emergency and safety electrical issues, such as signal outages or critical repair and/or removal of equipment damaged in a crash. A corresponding decrease to the Transportation Department's Personal Services appropriation is recommended in this report to offset this action.

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Grants- Reimbursements -Fees	Personal Services (Vacancy Savings)	Transportation Department	-	(\$500,000)	-
	This action decreases the Transportation Department's Personal Services appropriation by \$500,000 to recognize vacancy savings. These savings are recommended to be reallocated to the Transportation Department's Non-Personal/Equipment appropriation to fund contracted electrician services for shift coverage. A corresponding increase to the Transportation Department's Non-Personal/Equipment appropriation is recommended in this report to offset this action.				
	Workers' Compensation Claims - Transportation	Transportation Department	-	(\$375,000)	-
	This action decreases the Workers' Compensation Claims – Transportation appropriation by \$375,000, from \$650,000 to \$275,000, consistent with actual settlements and medical treatment costs through December 2020, and projected activity for the remainder of 2020-2021. Several actions to reallocate funds between the various Workers' Compensation Claims appropriations in the General Fund are recommended elsewhere in this report to align the budget with the projected needs.				
	Required Technical-Rebalancing Actions		-	\$3,178,005	\$3,096,005
	Non-Personal/Equipment/Revenue from State of California (Strike Team Reimbursement)	Fire Department	-	\$24,013	\$24,013
	This action increases the Fire Department's Non-Personal/Equipment appropriation by \$24,013 and corresponding estimate for Revenue from the State of California to recognize additional reimbursements that are expected to be received in February 2021 from California Office of Emergency Services under the California Fire Assistance Agreement. The reimbursements are for costs associated with vehicle use related to the Crews Fire, Hog Fire, and Mineral Fire.				

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services/Revenue from State of California (Strike Team Reimbursement)	Fire Department	-	\$182,263	\$182,263

This action increases the Fire Department's Personal Services appropriation by \$182,263 and corresponding estimate for Revenue from the State of California to recognize additional reimbursements that are expected to be received in February 2021 from California Office of Emergency Services under the California Fire Assistance Agreement. The reimbursements are for Strike Teams and individual overhead resources that were deployed to assist with the Apple Fire, Crews Fire, Hog Fire, Mineral Fire, and River Fire.

Personal Services/Revenue from the Federal Government (Cyclone Laura Reimbursement)	Fire Department	-	\$29,291	\$29,291
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This action increases the Fire Department's Personal Services appropriation by \$29,291 and corresponding estimate for Revenue from the Federal Government to recognize reimbursements for the Task Force 3 member deployments for the Cyclone Laura emergency event in Louisiana from August 25, 2020 - September 3, 2020. This amount represents 75% of the total reimbursement amount that will be received this fiscal year. The remaining 25% of reimbursement is expected to be received in 2021-2022.

Library Grants/Revenue from State of California (First 5 Santa Clara County-Family, Friend, and Neighbor)	Library Department	-	\$98,000	\$98,000
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This action increases the Library Grants appropriation by \$98,000, from \$422,424 to \$520,424, and the estimate for Revenue from the State of California by the same amount, from \$14.6 million to \$14.7 million to recognize the receipt of the First 5 Santa Clara County-Family, Friend, and Neighbor grant. This funding will support Family, Friend, and Neighbor Caregivers by promoting connections, creating social and learning networking communities, and addressing barriers to access, including childcare, language, immigration status, technology and digital access, financial insecurity, and food instability.

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Grants- Reimbursements -Fees	Library Grants/Revenue from State of California (LSTA Wee Read)	Library Department	-	\$20,000	\$20,000
	<p>This action increases the Library Grants appropriation by \$20,000, from \$422,424 to \$442,424 and the estimate for Revenue from the State of California by the same amount, from \$14,564,494 to \$14,584,494, to recognize the receipt of the Library Services and Technology Act (LSTA) Wee Read! Books to Go & Grow! Initiative. This grant funding will support the purchase of approximately 800 books and Wee Read! Bags with 90-95 unique titles. Each Wee Read! Bag will contain 8 books related to a specific concept, which will be accessible at all library branch locations.</p>				
	Office of the Mayor/Other Revenue	Mayor & City Council	-	\$25,000	\$25,000
	<p>This action increases the Office of the Mayor appropriation and corresponding estimate for Other Revenue by \$25,000 to allocate a grant received from the Knight Foundation for data strategy and equity dashboard pilot projects under the Mayor's Innovation and Technology Office.</p>				
	T-Mobile Macro Site Process Reimbursement/Other Revenue	Office of the City Manager	-	\$250,000	\$250,000
	<p>This action establishes the T-Mobile Macro Site Process Reimbursement appropriation to the Office of the City Manager and increases the corresponding estimate for Other Revenue in the amount of \$250,000 to recognize a reimbursement from T-Mobile. The funding will support a temporary position in the Office of Civic Innovation to manage the T-Mobile agreement and oversee the Macro Site Team in the Planning, Building, and Code Enforcement Department. A strategy will be devised for process improvements and streamlining the macro site permitting process.</p>				

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2020-2021/Revenue from State of California</p> <p>This action establishes the CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2020-2021 City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Revenue from the State of California in the amount of \$91,000. The term of the grant is January 1, 2021 through December 31, 2021. The total grant award is \$181,852, of which \$91,000 is allocated in 2020-2021 and the remaining \$90,852 will be recognized and appropriated in 2021-2022. This grant will continue the Trauma to Triumph program, a partnership with Santa Clara Valley Medical Center that provides hospital-based violence intervention services to at-risk youth.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$91,000	\$91,000
<p>CalVIP Trauma to Triumph at Regional Medical Center Grant/Revenue from State of California</p> <p>This action establishes the CalVIP Trauma to Triumph at Regional Medical Center Program 2020-2021 City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Revenue from the State of California in the amount of \$157,585. The term of the grant covers 2020-2021, 2021-2022, and 2022-2023. The total grant award is \$630,340, of which \$157,585 is allocated in 2020-2021, and the remaining amount of \$472,755 will be recognized and allocated in future years. The 2020-2021 allocation will expand the Trauma to Triumph program to Regional Medical Center, to provide hospital-based violence intervention services to at-risk youth.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$157,585	\$157,585

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment/Other Revenue (National Recreation and Park Association Grant)</p> <p>This action increases the Non-Personal/Equipment appropriation for the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue by \$10,000 to reflect grant funding from the National Recreation and Parks Association. The term of this grant was from September 3, 2020 through December 31, 2020. This grant provided emergency funding relief to sustain delivery of meal programs to residents under 18 years of age who were severely impacted by the COVID-19 pandemic. The \$10,000 was used to purchase PPE including gloves, cleaning supplies, and custom canopies.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$10,000	\$10,000
<p>Sourcewise Grant for Recreation and Connectivity Project/Other Revenue</p> <p>This action establishes a Sourcewise Grant for Recreation Department and Connectivity Project City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Other Revenue in the amount of \$40,561. This grant funding will purchase 40 digital devices (tablets) and provide 100 older adults with one to three choices of the following: a digital device (tablet) to borrow for up to 90 days, with the opportunity to extend for another 30 days; digital literacy training; and/or free virtual health and wellness and recreation programming. Five hundred older adults will receive information regarding low cost internet options and PRNS programs and services. The total grant award is \$49,008, of which \$40,561 is allocated in 2020-2021 and the remaining \$8,447 will be recognized and appropriated in 2021-2022. The term of the grant is December 1, 2020 through September 30, 2021.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$40,561	\$40,561

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
T-Mobile Macro Site Permitting/Other Revenue	Planning, Building and Code Enforcement Department	-	\$750,000	\$750,000
<p>This action establishes the T-Mobile Macro Site Permitting City-Wide Expenses appropriation to the Planning, Building and Code Enforcement Department in the amount of \$750,000 and a corresponding increase to the estimate for Other Revenue. The funding will pay for the city staff and peak staffing resources related to the permitting process and fund T-Mobile's planning permit fees. The T-Mobile macro sites are in support of the City's Broadband and Digital Inclusion Strategy and will create a more competitive marketplace, and improve voice and data coverage quality for the community. T-Mobile has provided funding in advance for this work.</p>				
Bulletproof Vest Partnership 2020/Revenue from Federal Police Department Government		-	\$94,210	\$47,105
<p>This action establishes the 2020 Bulletproof Vest Partnership City-Wide Expenses appropriation to the Police Department in the amount of \$94,210 and increases the estimate for Revenue from the Federal Government by \$47,105 to maximize available Bulletproof Vest Partnership Grant funding for equipment acquisition. Grant awards will be used to procure National Institute of Justice (NIJ) compliant armored vests for police officers, and the grant term ends on August 31, 2022. A corresponding reallocation of funding from the Police Department's Non-Personal/Equipment appropriation is recommended elsewhere in this report as a local match to leverage this grant funding.</p>				
Non-Personal/Equipment (Bulletproof Vest Partnership) Police Department		-	(\$47,105)	-
<p>This action decreases the Police Department's Non-Personal/Equipment appropriation by \$47,105 to reallocate funds to the 2020 Bulletproof Vest Partnership City-Wide Expenses appropriation as the City's match requirement to leverage grant funding for equipment acquisition, up to a combined value of \$94,210. Grant funds will be used to procure National Institute of Justice (NIJ) compliant armored vests for police officers prior to the term expiration on August 31, 2022. A corresponding increase to the 2020 Bulletproof Vest Partnership appropriation is recommended elsewhere in this report.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services/Revenue from Local Agencies (Santa Clara Valley Water District)	Police Department	-	\$200,000	\$200,000

This action increases the Police Department's Personal Services appropriation and the estimate for Revenue from Local Agencies by \$200,000. Pursuant to this agreement, the Santa Clara Valley Water District will reimburse the City for up to \$200,000 of overtime costs incurred by officers in support of the Stream Stewardship Law Enforcement Program. The San Jose Police Department targets criminal activity along local waterways within the City, including Coyote Creek and Guadalupe River in which Santa Clara Valley Water District employees or volunteers may be present.

Ice Centre Expansion Project / Transfers and Reimbursements	Public Works Department	-	\$1,430,000	\$1,570,000
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This action establishes the Ice Centre Expansion Project appropriation to the Public Works Department in the amount of \$1.43 million to provide funding for staff costs for the Ice Centre Expansion project and increases the estimate for Transfers and Reimbursements by \$1.57 million, from \$118.7 million to \$120.2 million. On August 25, 2020, the City Council approved the Second Amendment and Restated Ice Centre Lease and Management Agreement. Section 3.03 of the agreement provided \$1.57 million for Public Works' staff time for plan review, permit, and inspection services, as well as monitoring project progress, and approval of monthly pay requests. The expense appropriation established in this report is reduced by \$140,000 to recognize prior year expenditures for the Ice Centre Expansion Project that were incurred prior to the establishment of this appropriation. This action establishes the appropriation to cover Ice Centre Bond Expansion costs and recognizes corresponding revenue to offset the expenditure. Actions to budget the Ice Centre Expansion Project construction costs paid to Sharks Ice, LLC are included in the Ice Centre Revenue Fund as described elsewhere in this report.

**General Fund Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Sidewalk Repairs/Other Revenue	Transportation Department	-	\$100,000	\$100,000
<p>This action increases the Sidewalk Repairs City-Wide Expenses appropriation to the Transportation Department by \$100,000, from \$1.9 million to \$2.0 million, and the corresponding estimate for Other Revenue. This action provides funding for an anticipated increase in property owners requesting the City to perform required sidewalk repairs. Contracted services are used to perform the work, and the City is reimbursed by the property owner for this service.</p>				
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Grants-Reimbursements-Fees		-	\$3,454,818	\$3,594,818

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Airport Customer Facility And Transportation Fee Fund (519)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Customer Facility Charge Fee Audit	Airport Department		\$13,850	
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This action increases the Customer Facility Charge Fee Audit appropriation by \$13,850, from \$11,500 to \$25,350, to fund a one-time review of Airport financials, which demonstrate the need for the increase of the Customer Facility Charge fee from \$7.50 to \$9.00 per day, for a maximum of five days per rental car contract. City Council approved the fee increase on December 5, 2020, which will go into effect on February 1, 2021.

Operations Contingency	Airport Department		(\$13,850)	
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This action decreases the Operations Contingency by \$13,850, from \$100,000 to \$86,150, to offset the increase for the Customer Facility Charge Fee Audit recommended above.

Airport Customer Facility And Transportation Fee Fund (519)	0.00	\$0	\$0
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Airport Fiscal Agent Fund (525)

Transfer to Airport Revenue Fund (Investment Valuation Adjustment)	Airport Department		\$138,000	
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This action increases the Transfer to the Airport Revenue Fund by \$138,000, from \$600,000 to \$738,000, to reflect additional funding available based on a recent investment valuation by the Airport's Fiscal Agent. The Fiscal Agent's findings have determined that the amount currently held in the Debt Service Reserve is greater than what is required be held in order to meet debt service obligations, including payment of principal and interest. As a result, this funding can be transferred back to the Airport Revenue Fund and allocated to the Airline Agreement Reserve. Corresponding actions in this fund and the Airport Revenue Fund are recommended elsewhere in this report.

Debt Service Reserve (Investment Valuation Adjustment)	Airport Department		(\$138,000)	
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This action decreases the Debt Service Reserve appropriation by \$138,000, from \$91.0 million to \$90.9 million, to reflect additional funding available based on a recent investment valuation by the Airport's Fiscal Agent. The Fiscal Agent's findings have determined that the amount currently held in the Debt Service Reserve is greater than what is required be held in order to meet debt service obligations, including payment of principal and interest. As a result, this funding can be transferred back to the Airport Revenue Fund and allocated to the Airline Agreement Reserve. Corresponding actions in this fund and the Airport Revenue Fund are recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Airport Fiscal Agent Fund (525)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Debt Service Payment)	Airport Department			(\$6,999,705)

This action decreases Transfers and Reimbursements by \$6,999,705, from \$100.9 million to \$93.9 million, to fund adjustments for Airport debt service payments. This action includes a reduction in the Transfer from the Airport Passenger Facility Charge Fund in the amount of \$8,188,000 partially offset by an increase in the Transfer from the Airport Revenue Fund in the amount of \$1,188,295. The 2020-2021 Modified Budget includes the use of up to \$8.2 million in CARES Act Relief funding to assist with debt service payments in the current fiscal year. However, the Federal Aviation Authority provided direction that CARES funding is not eligible to pay for the same debt service obligations that are also funded with Passenger Facility Charge (PFC) revenue. Therefore, this action reduces the transfer of PFC revenue (-\$8.2 million) and increases the transfer in of the remaining CARES Act funding (\$1.2 million) from the Airport Revenue Fund. Actions are included elsewhere to reallocate CARES Act funding of \$7.0 million from the Debt Service Reserve, which was previously funded with an initial infusion of CARES Act funding as part of the actions included in the 2019-2020 Annual Report. Corresponding actions in this fund, the Airport Revenue Fund, and the Airport Passenger Facility Charge Fund are recommended elsewhere in this report.

Debt Service Reserve (Debt Service Payment)	Airport Department		(\$6,999,705)	
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This action decreases the Debt Service Reserve by a \$6,699,705, from \$91.0 million to \$84.0 million, to offset the actions recommended in this report.

Airport Fiscal Agent Fund (525)		0.00	(\$6,999,705)	(\$6,999,705)
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Airport Maintenance And Operation Fund (523)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Operations Contingency	Airport Department		\$89,000	
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This action increases the Operations Contingency by \$89,000, from \$1.0 million to \$1,089,000, to offset the decrease to the Banking Services appropriation recommended below.

Banking Services (Merchant Card Service Fee)	Finance Department		(\$89,000)	
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This action is part of a series of adjustments to the Banking Services appropriation in multiple funds due to the implementation of a new credit card service fee reducing estimated revenue as well as to reflect updated forecasts for merchant card processing activity. These actions decrease the Banking Services appropriation in the Airport Maintenance and Operation Fund by \$89,000, and increase the Banking Services appropriations in the Integrated Waste Management Fund by \$4,000 and the Water Utility Fund by \$12,000. A decrease to the Banking Services City-Wide Expenses appropriation in the General Fund (\$312,000) is recommended in this report.

Airport Maintenance And Operation Fund (523)	0.00	\$0	\$0
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements - Transfer from Airport Fiscal Agent Fund (Investment Valuation Adjustment)	Airport Department			\$138,000

This action increases the Transfer from the Airport Fiscal Agent Fund by \$138,000, from \$600,000 to \$738,000, to reflect additional funding available based on a recent investment valuation by the Airport's Fiscal Agent. The Fiscal Agent's findings have determined that the amount currently held in the Debt Service Reserve is greater than what is required be held in order to meet debt service obligations, including payment of principal and interest. As a result, this funding can be transferred back to the Airport Revenue Fund and allocated to the Airline Agreement Reserve. Corresponding actions in this fund and the Airport Fiscal Agent Fund are recommended elsewhere in this report.

Airline Agreement Reserve	Airport Department		(\$1,050,295)	
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This action decreases the Airline Agreement Reserve by a net \$1,050,295, from \$66.6 million to \$65.6 million. This decrease results from the need to transfer additional funds to the Airport Fiscal Agent Fund in the amount of \$1,188,295 to cover the debt service payment, offset by an increase of \$138,000 of additional funding available in the Airport Fiscal Agent Fund. Corresponding actions in this fund and the Airport Fiscal Agent Fund are recommended elsewhere in this report.

Transfer to Airport Fiscal Agent Fund (Debt Service Payment)	Airport Department		\$1,188,295	
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This action increases the Transfer to the Airport Fiscal Agent Fund in the amount of \$1,188,295, from \$59.0 million to \$60.1 million, to fund an adjustment for Airport debt service payments. The 2020-2021 Modified Budget includes the use of up to \$8.2 million in CARES Act Relief funding to assist with debt service payments in the current fiscal year. As part of the 2019-2020 Annual Report, \$7.0 million of CARES funding was transferred from the Airport Revenue Fund to the Airport Fiscal Agent Fund to assist with debt service payments. This action transfers the remaining \$1.2 million of CARES funding to the Airport Fiscal Agent Fund for debt service payment in 2020-2021. Corresponding actions to receive the transfer in the Airport Fiscal Agent Fund are recommended elsewhere in this report.

Airport Revenue Fund (521)	0.00	\$138,000	\$138,000	
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Benefits Funds - Benefit Fund (160)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Employee Benefit Payout (Health Plan Premium Credit)	Human Resources Department		\$140,000	
<p>This action establishes the Employee Benefit Payout appropriation in the amount of \$140,000 to allocate funding that is intended to be paid back to employees as it pertains to benefit reimbursements. The Anthem Blue Cross medical plan credited the City \$100,000 (approximately 10%) of April premiums paid due to reduced costs during the COVID-19 Shelter in Place order. Additionally, this Fund recognizes \$40,000 of interest earnings that have accumulated in the Employee Health Fund and will be paid back to employees. A corresponding increase to Other Revenue (\$100,000) and Transfers and Reimbursements (\$40,000) are recommended in this report to offset this action.</p>				
Transfers and Reimbursements (Transfer from Employee Health Fund)	Human Resources Department			\$40,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$40,000, from \$78.96 million to \$79.0 million, to recognize a transfer of interest earnings that have accumulated in the Employee Health Fund and are to be paid back to employees. An increase to the Employee Benefit Payout appropriation is recommended in this report to offset this action.</p>				
Other Revenue (Anthem Blue Cross Credit)	Human Resources Department			\$100,000
<p>This action establishes the estimate for Other Revenue in the amount of \$100,000 to recognize revenue that was received from the Anthem Blue Cross to reflect a credit to the City for April 2020 medical plan premiums that were paid. This amount was credited to the City for lower cost premiums due to the reduced costs during the COVID-19 Shelter in Place order. These funds have been identified as eligible to be paid back to employees. An increase to the Employee Benefit Payout appropriation is recommended in this report to offset this action.</p>				
Benefits Funds - Benefit Fund (160)		0.00	\$140,000	\$140,000

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Benefits Funds - Dental Insurance Fund (155)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Human Resources Department		\$9,600	
<p>This action increases the Human Resources Department's Personal Services appropriation by \$9,600. Through December 2020, personal services are tracking above budgeted levels. This increase accounts for higher than anticipated costs for budgeted positions. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Human Resources Department		(\$9,600)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Benefits Funds - Dental Insurance Fund (155)

0.00	\$0	\$0
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Benefits Funds - Self-Insured Medical Fund (158)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Transfer to the General Fund (Close Out of Self-Insured Medical Fund)	Human Resources Department		\$1,000,000	
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This action establishes a transfer to the General Fund in the amount of \$1.0 million. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. However, the Payment of Claims within the Self-Insured Medical Fund was lower than anticipated, leaving an available balance that can be returned to the General Fund. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment. This transfer reflects a portion of the fund balance that is left in this fund after the close-out period. A full reconciliation of this fund and a transfer of the remaining fund balance will happen at the end of this fiscal year.

Ending Fund Balance Adjustment	Human Resources Department		(\$350,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Transfers and Reimbursements (City Funds)	Human Resources Department			\$50,000
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This action establishes the estimate for Transfers and Reimbursements in the amount of \$50,000 to recognize funding that has been paid to-date for premium credits to the City from the PPO Blue Shield of California Medical plan.

Payment of Claims	Human Resources Department		(\$600,000)	
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This action eliminates the Payment of Claims appropriation by \$600,000. This reflects no actual charges of Payment of Claims. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment, which resulted in no charge to the City for Payment of Claims.

Benefits Funds - Self-Insured Medical Fund (158)		0.00	\$50,000	\$50,000
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Benefits Funds - Unemployment Insurance Fund (157)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Personal Services (Overage)	Human Resources Department		\$6,000	
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This action increases the Human Resources Department's Personal Services appropriation in the Unemployment Insurance Fund by \$6,000. Through December 2020, personal services are tracking above budgeted levels. This increase accounts for higher than anticipated costs for budgeted positions. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Human Resources Department		(\$6,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Benefits Funds - Unemployment Insurance Fund (157)	0.00	\$0	\$0
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Citywide Planning Fee Program Fund (239)

Citywide Planning Fee - Personal Services	Planning, Building and Code Enforcement Department		(\$250,000)	
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This action decreases the Planning, Building and Code Enforcement Department's Citywide Planning Fee - Personal Services appropriation by \$250,000 to recognize savings resulting from staff that were re-assigned to work in the Planning Development Fee Program. Two positions in the Citywide Planning Fee Program were re-assigned to the Planning Development Fee Program from July 2020 through January 2021 to temporarily address the increased workload in the Planning Development Fee Program with staff that had relevant permitting expertise. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Planning, Building and Code Enforcement Department		\$250,000	
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This action increases the Ending Fund Balance to offset the action recommended in this report.

Citywide Planning Fee Program Fund (239)	0.00	\$0	\$0
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Convention and Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>City Facilities Safety Assessment</p> <p>This action reestablishes the City Facilities Safety Assessment appropriation in the amount of \$20,000 to complete the remaining scope of work for the project. These funds will support the project manager's review of 16 remaining reports and an additional facility site visit to the SAP Center in 2020-2021, upon facility reopening. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>	Public Works Department		\$20,000	
<p>Insurance Expenses</p> <p>This action increases the Insurance Expenses appropriation by \$4,500, from \$401,000 to \$405,500, to provide one-time funding to the Finance Department for overlapping insurance brokerage services from April 1, 2021 through June 30, 2021. Overlapping services will ensure continuity for the City's insurance program in the event of transition of service following a new competitive procurement process. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>	Finance Department		\$4,500	
<p>Transfers and Reimbursements (Transfer from the Transient Occupancy Tax Fund)</p> <p>This action decreases the revenue estimate for Transfers and Reimbursements by \$2.35 million, from \$6.9 million to \$4.6 million, to reflect the downgraded forecast for the Transient Occupancy Tax stemming from the continued impacts of COVID-19 on hotel activity. This revenue loss, coupled with a higher than anticipated need for Convention Facilities Operations assistance, are offset through the reallocation of balances purposefully held in the Convention and Cultural Affairs Fund in the event of further revenue decline. A series of corresponding actions are recommended elsewhere in this report to rebalance the Convention and Cultural Affairs Fund.</p>	City Manager - Office of Economic Development			(\$2,350,000)
<p>Transfers and Reimbursements (Transfer from the Convention and Cultural Affairs Capital Fund)</p> <p>This action increases the revenue estimate for Transfers and Reimbursements by \$2.3 million, from \$2.9 million to \$5.2 million, to reflect the return of previously transferred funds to the Convention and Cultural Affairs Capital Fund for planned improvements to the San Jose McEnery Convention Center and other cultural facilities managed by Team San Jose. This transfer is derived from a combination of project savings and accumulated balances due to the prior deferral of planned projects, supplements funding to offset the decreased transfer from the Transient Occupancy Tax Fund (\$2.3 million) and increased need for Convention Facility Operations assistance. These balances were conservatively retained during development of the 2020-2021 Adopted Budget in the event of such revenue losses. A series of corresponding actions are recommended elsewhere in this report to rebalance the Convention and Cultural Affairs Fund.</p>	City Manager - Office of Economic Development			\$2,335,000

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Convention and Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Convention Facilities Operations	City Manager - Office of Economic Development		\$1,760,000	
<p>This action increases the Convention Facilities Operations appropriation by \$1.8 million, from \$6.6 million to \$8.4 million, to provide the funding necessary for Team San Jose to cover fixed costs to maintain convention and cultural facilities operations during 2020-2021 to offset continued revenue loss. The COVID-19 pandemic and corresponding public health restrictions have effectively closed these facilities, eliminating the potential for revenue generation from facility use, food and beverage and other services. This increase is recommended in concert with cost-containment measures implemented by Team San Jose, including multiple rounds of layoffs in 2019-2020 and the continued postponement of employee return dates. However, core staffing is maintained to position Team San Jose for the eventual reopening of the facilities.</p>				
Team San Jose Management Fee (Incentive Fee)	City Manager - Office of Economic Development		(\$250,000)	
<p>This action eliminates the Team San Jose Management Fee (Incentive Fee) appropriation of \$250,000 for payment of an incentive fee to Team San Jose for its performance during the 2019-2020 fiscal year. Due to the continued impacts of COVID-19 on convention and cultural facility operations since February 2020, loss of operating revenue and increased need for operational support from the City, the net savings from this reduction will be applied to support Team San Jose's fixed costs to position for a future return of business. A corresponding increase to the Convention Facilities Operations appropriation is recommended elsewhere in this report.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development		(\$1,549,500)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
		0.00	(\$15,000)	(\$15,000)
Convention and Cultural Affairs Fund (536)				

Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Convention Center Facilities District Special Tax	Finance Department			(\$3,500,000)

This action reduces the estimate for Convention Center Facilities District Special Tax by \$3.5 million, from \$8.0 million to \$4.5 million, to reflect the continuing impacts of COVID-19 and suppressed hotel activity. This forecast revision better aligns with year-to-date performance and the adjusted outlook for the remainder of 2020-2021. This revenue loss is offset by a transfer from the Convention Center Facility District Capital Fund (\$1.7 million) and the deferral of commercial paper payments totaling \$3.3 million for 2020-2021.

Transfers and Reimbursements (Transfer from the Convention Center Facility District Capital Fund)	Finance Department			\$1,700,000
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This action increases the revenue estimate for Transfers and Reimbursements by \$1.7 million, from \$2.3 million to \$4.0 million, to reflect the return of funds previously transferred to the Convention Center Facility District Capital Fund for capital improvement projects. This action, coupled with the deferral of commercial paper payments totaling \$3.3 million for 2020-2021, offsets the projected revenue loss from the Convention Center Facility District Special Tax (\$3.5 million) and positions the fund for further forecast adjustments as the implications of COVID-19 continue to evolve.

South Hall Site Acquisition Debt Service	Finance Department		(\$746,000)	
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This action decreases the South Hall Site Acquisition Debt Service appropriation by \$746,000, from \$1.1 million to \$357,000, to reflect the suspension of interest-only debt service payments for the remainder of 2020-2021 for commercial paper issued for the acquisition of the South Hall Site. This action, coupled with the deferral of principal payment for commercial paper issued for the prior Exhibit Hall expansion project at the San Jose McEnery Convention Center, partially offsets lower than projected revenues from the Convention Center Facility District Special Tax (\$3.5 million) due to the continued impacts of COVID-19. The total additional interest costs resulting from these deferrals that will be incurred in future years is estimated at \$26,000.

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service: Exhibit Hall Commercial Paper	Finance Department		(\$2,319,000)	

This action decreases the Debt Service: Exhibit Hall Commercial Paper appropriation by \$2.32 million, from \$2.39 million to \$73,000, to reflect the deferral of principal payment in 2020-2021 for commercial paper issued for the prior Exhibit Hall expansion project at the San Jose McEnery Convention Center. This action, coupled with the reduced debt service payments for commercial paper issued for the acquisition of the South Hall site, partially offsets lower than projected revenues from the Convention Center Facility District Special Tax (\$3.5 million) due to the continued impacts of COVID-19. The total additional interest costs resulting from these deferrals that will be incurred in future years is estimated at \$26,000.

Ending Fund Balance Adjustment	Finance Department		\$1,265,000	
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This action increases the Ending Fund Balance to offset the actions recommended in this report. This increase is expected to position the fund to mitigate downward forecast adjustments for the 2021-2022 fiscal year.

Convention Center Facilities District Revenue Fund (791)		0.00	(\$1,800,000)	(\$1,800,000)
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Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

2020 Justice Assistance Grant/Revenue from Federal Government	Police Department		\$290,569	\$290,569
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This action establishes the 2020 Justice Assistance Grant appropriation to the Police Department and increases the estimate for Revenue from the Federal Government in the amount of \$290,569. This grant funding will support: the purchase of law enforcement and officer safety and investigative equipment; law enforcement overtime for community events, such as National Night Out, a crime prevention community education program; and, public service announcements to increase awareness and prevent gun violence.

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)		0.00	\$290,569	\$290,569
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Fire Development Fee Program Fund (240)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Fire Development Fee Program - Non-Personal/Equipment (Vehicle Replacement)	Fire Department		\$92,000	
<p>This action increases the Fire Development Fee Program - Non-Personal/Equipment appropriation by \$92,000 for the replacement of two retired vehicles to support the Fire Development Fee Program. Replacement of these vehicles is necessary to maintain current inspection response level of service. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Fire Development Fee Program - Non-Personal/Equipment (Fire Vehicle Modifications)	Fire Department		\$64,000	
<p>This action increases the Fire Development Fee Program - Non-Personal/Equipment appropriation by \$64,000 for vehicle modifications. An allocation of \$120,000 was approved in the 2019-2020 Adopted Budget and rebudgeted into the 2020-2021 Adopted Budget for the addition of four vehicles in the Fire Development Fee Program. This request is needed to make modifications to the vehicles prior to use in the field by inspectors. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Fire Department		(\$156,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Fire Development Fee Program Fund (240)		0.00	\$0	\$0

Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

General Purpose Parking Fund (533)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from General Purpose Parking Capital Fund)	Transportation Department			\$2,700,000
<p>This action increases the estimate for Transfers and Reimbursements by \$2.7 million, from \$3.0 million to \$5.7 million, to recognize a transfer from the General Purpose Parking Capital Fund to offset reduced revenues of \$2.7 million from parking garage and meter revenue in 2020-2021 due to the COVID-19 operating environment. The General Purpose Parking Fund is the source of funding for capital projects in the Parking Capital Program. This transfer is facilitated by a reduction to the SAP/Diridon Center Area Parking and Transportation Reserve, described elsewhere in this report.</p>				
Fees, Rates, and Charges (Parking Fees)	Transportation Department			(\$2,700,000)
<p>This action decreases the revenue estimate for Fees, Rates, and Charges by \$2.7 million, from \$9.0 million to \$6.3 million, to reflect revenue loss from parking lots and garages and parking meters, resulting from the COVID-19 operating environment. Due to the COVID-19 pandemic, the Transportation Department ceased collecting revenue at its parking facilities and meters starting on March 17, 2020. Revenue collections resumed on August 3, 2020; however, the City's parking garages currently offer 90 minutes of free parking and parking meters are only charging in the Downtown Core. The meters in the East Santa Clara, Old Civic Center, and Japantown zones are not currently charging. Because of the reduction in activity at the City's parking facilities and the City's response to the COVID-19 pandemic, revenues from those parking facilities is expected to end the fiscal year approximately 67% lower than pre-COVID levels. To offset the anticipated revenue shortfall, a corresponding transfer from the General Purpose Parking Capital Fund is recommended.</p>				
General Purpose Parking Fund (533)		0.00		\$0

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Home Investment Partnership Program Trust Fund (445)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Housing Department		(\$135,000)	
This action decreases the Ending Fund Balance to offset the adjustments recommended in this report.				
Fair Housing	Housing Department		\$135,000	

This action reestablishes the Fair Housing appropriation in the amount of \$135,000 to fund an agreement with the San Jose Fair Housing Legal and Education Services Collaborative to build inclusive sustainable communities free from discrimination through complaint-based investigation, systemic testing, and legal representation designed to help victims of housing discrimination to access or maintain the housing of their choice. This action is offset by a corresponding decrease to Ending Fund Balance, as recommended in this report.

Home Investment Partnership Program Trust Fund (445)

0.00	\$0	\$0
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Housing Trust Fund (440)

Ending Fund Balance/Revenue from the Use of Money/Property (Casa de Novo Loan Repayment)	Housing Department		\$1,765,000	\$1,765,000
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This action increases the estimate for Revenue from the Use of Money/Property in the Housing Trust Fund by \$1,765,000, from \$50,000 to \$1,815,000, to recognize loan payoff proceeds from the Casa de Novo Loan project. A subsequent action to allocate these proceeds will be brought forward for City Council consideration in coordination with a Notice of Funding Availability currently targeted for Spring 2021. This action is offset by a corresponding increase to the Ending Fund Balance.

Housing Trust Fund (440)

0.00	\$1,765,000	\$1,765,000
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Refunding of Previous Base Rent Payments	Finance Department		\$49,973	
<p>This action increases the Refunding of Previous Base Rent Payments appropriation by \$49,973, from \$1,553,040 to \$1,603,013, to correctly allocate funding previously provided by the 2020-2021 Base Rent Payment from Sharks Ice, LLC, in accordance with the Second Amended and Restated Ice Centre Lease and Management Agreement approved by the City Council on August 25, 2020. Corresponding adjustments to the Capital Rehabilitation Reserve and Ending Fund Balance are recommended elsewhere in this report.</p>				
Ending Fund Balance Adjustment	Finance Department		\$58,477,527	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Capital Rehabilitation Reserve	Finance Department		(\$97,500)	
<p>This action decreases the Capital Rehabilitation Reserve appropriation by \$97,500, from \$585,000 to \$487,500, to correctly allocate funding from the 2020-2021 Base Rent Payment from Sharks Ice, LLC, in accordance with the Second Amended and Restated Ice Centre Lease and Management Agreement approved by the City Council on August 25, 2020. Corresponding adjustments to the Refunding of Previous Base Rent Payments appropriation and Ending Fund Balance are recommended elsewhere in this report.</p>				
Ice Centre Expansion Project/Financing Proceeds	Finance Department		\$60,000,000	\$120,000,000
<p>This action establishes the Ice Centre Expansion Project appropriation to the Finance Department in the amount of \$60.0 million and establishes an estimate for Financing Proceeds in the amount of \$120.0 million. On August 25, 2020, the City Council approved the issuance of Taxable Lease Revenue Bonds, Series 2020B (2020B Bonds), for the construction of two additional ice rinks and related facilities at Solar4America Ice at San Jose (the Ice Centre). Proceeds from the 2020B Bonds related to the direct construction costs of the facility of \$120.0 million are recognized in the Ice Centre Revenue Fund. From this amount, \$60.0 million is allocated for construction costs in 2020-2021. Recommendations described elsewhere in this report transfer \$1.57 million of the proceeds to the General Fund to pay for construction oversight by the Public Works Department, and allocate the remaining amount of \$58.43 million to the ending fund balance to be used for construction costs in 2021-2022. All construction activities are managed by Sharks, LLC.</p>				

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the General Fund (Ice Centre Expansion Project)	Finance Department		\$1,570,000	

This action establishes a Transfer to the General Fund in the amount of \$1.57 million to provide funding for Public Works staff to provide construction oversight of the Ice Centre Expansion Project. On August 25, 2020, in addition to authorizing the issuance of Taxable Lease Revenue Bonds, Series 2020B (2020B Bonds), for the construction of two additional ice rinks and related facilities at Solar4America Ice at San Jose (Ice Centre), the City Council also approved the Second Amended and Restated Ice Centre Lease and Management Agreement. Section 3.03 of the agreement provided \$1.57 million for Public Works' staff time for plan review, permit, and inspection services, as well as monitoring project progress, and approval of monthly pay requests. Of the \$120.0 million of proceeds from the 2020B Bonds to fund the construction costs of the Ice Centre expansion, \$1.57 million is allocated to be transferred to the General Fund for Public Works construction oversight costs. Recommendations allocating the remaining amounts are described elsewhere in this report.

Ice Centre Revenue Fund (432)	0.00	\$120,000,000	\$120,000,000
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Workers' Compensation Claims	Environmental Services Department		\$50,000	
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This action increases the Workers' Compensation Claims appropriation by \$50,000, from \$34,000 to \$84,000, to align the budget with actual settlements and medical treatment costs through December 2020 and projected activity for the remainder of 2020-2021.

Ending Fund Balance Adjustment	Environmental Services Department		(\$54,000)	
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This action decreases the Ending Fund Balance to offset actions recommended elsewhere in this report.

Banking Services (Merchant Card Service Fee)	Finance Department		\$4,000	
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This action is part of a series of adjustments to the Banking Services appropriation in multiple funds due to the implementation of a new credit card service fee reducing estimated revenue as well as to reflect updated forecasts for merchant card processing activity. These actions decrease the Banking Services appropriation in the Airport Maintenance and Operation Fund by \$89,000, and increase the Banking Services appropriations in the Integrated Waste Management Fund by \$4,000 and the Water Utility Fund by \$12,000. A decrease to the Banking Services City-Wide Expenses appropriation in the General Fund (\$312,000) is recommended in this report.

Integrated Waste Management Fund (423)

	0.00	\$0	\$0
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Low And Moderate Income Housing Asset Fund (346)

Loan Management (Best Western - Sure Stay Hotel)	Housing Department		\$1,000,000	
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This action increases the Loan Management appropriation by \$1,000,000, from \$325,000 to \$1,325,000, for property and building improvements to the 76-unit Best Western hotel purchased by the City to provide housing to low-income individuals impacted by COVID-19. The improvements include a new roof, filling in the swimming pool, replacing railing and stairs, and various fire safety, plumbing, and electrical improvements in the units. This action is offset by a corresponding decrease to the Ending Fund Balance recommended in this report.

Ending Fund Balance Adjustment	Housing Department		(\$1,000,000)	
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This action decreases the Ending Fund Balance to offset the adjustments recommended in this report.

Low And Moderate Income Housing Asset Fund (346)

	0.00	\$0	\$0
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Crisis Response Interventions/Revenue from the Use of Money/Property (Interest Earnings)	Housing Department		\$275,000	\$85,000
<p>This action increases the Crisis Response Interventions appropriation by \$275,000, from \$204,987 to \$479,987, to fund agreements with the Bill Wilson Center for \$200,000 for their Transition in Place (TIP) program and with LifeMoves for \$75,000 for their Motel Voucher for Vulnerable Populations Program (Voucher). The TIP program provides housing and supportive services to homeless youth, and the Voucher program provides motel stays for homeless families and other vulnerable populations. This action also increases the estimate for Revenue from the Use of Money/Property by \$85,000 to recognize interest earnings associated with the \$11.4 million Homeless Emergency Aid Program grant.</p>				
Ending Fund Balance/Revenue from the Use of Money/Property (Casa de Novo Loan Repayment)	Housing Department		\$6,885,000	\$6,885,000
<p>This action increases the estimate for Revenue from the Use of Money/Property in the Multi-Source Housing Fund by \$6,885,000, from \$2.6 million to \$9.4 million, to recognize loan payoff proceeds from the Casa de Novo Loan project. A subsequent actions to allocate these proceeds will be brought forward for City Council consideration in coordination with a Notice of Funding Availability currently targeted for Spring 2021. This action is offset by a corresponding increase to the Ending Fund Balance.</p>				
Transfer to the Multi-Source Housing Fund/Transfers and Reimbursements (Transfer from Multi-Source Housing Fund to the Homeless Emergency Aid Program Fund)	Housing Department		\$43,000	\$43,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$43,000, to reflect a transfer from the Multi-Source Housing Fund for prior year interest earnings associated with the Homeless Emergency Aid Program Fund, which is a fund budgeted within the Multi-Source Housing Fund. A corresponding action to transfer to the Homeless Emergency Aid Program Fund is also recommended.</p>				
Ending Fund Balance Adjustment	Housing Department		(\$190,000)	
<p>This action decreases the Ending Fund Balances to offset the adjustments recommended in this report.</p>				
Multi-Source Housing Fund (448)		0.00	\$7,013,000	\$7,013,000

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Municipal Golf Course Fund (518)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from the General Fund)	Parks, Recreation and Neighborhood Services Department			(\$1,000,000)
<p>This action decreases the transfer from the General Fund to the Municipal Golf Course Fund by \$1.0 million, from \$9.7 million to \$8.7 million, to reflect higher than anticipated operating revenues in the Municipal Golf Course Fund during 2020-2021. The higher than anticipated revenues resulted in lower net operating assistance requirements from the General Fund for the Los Lagos Golf Course and Rancho del Pueblo Golf Course. Corresponding adjustments in the Municipal Golf Course Fund to recognize additional Revenue from the Use of Money/Property and to decrease the Ending Fund Balance are recommended elsewhere in this report.</p>				
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services Department		(\$600,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Revenue from the Use of Money/Property	Parks, Recreation and Neighborhood Services Department			\$400,000
<p>This action increases the corresponding estimate for Revenue from the Use of Money/Property by \$400,000, from \$352,000 to \$752,000, to reflect higher than anticipated operating revenues at the Los Lagos Golf Course and the San Jose Municipal Golf Course during 2020-2021. Corresponding adjustments to decrease the transfer from the General Fund to the Municipal Golf Course Fund and to increase the Ending Fund Balance are recommended elsewhere in this report.</p>				
Municipal Golf Course Fund (518)		0.00	(\$600,000)	(\$600,000)

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Planning Development Fee Program Fund (238)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Planning Development Fee Program - Personal Services (PBCE) (Overage)/Fees, Rates, and Charges	Planning, Building and Code Enforcement Department		\$750,000	\$500,000

This action increases the Planning, Building and Code Enforcement Department's Planning Development Fee Program - Personal Services appropriation by \$750,000 and increases the estimate for Fees, Rates, and Charges by \$500,000 to recognize additional Planning Development Fee revenues. This action funds higher than anticipated Planning Development Fee Program Personal Services costs due to the use of re-assigned staff from other programs to assist with Planning Development activity, higher position costs due to internal promotions, new hires with salaries that were higher than budgeted, and management pay for performance increases. Based on current collection trends, Planning Development Fee revenues are anticipated to exceed the 2020-2021 Adopted Budget by \$500,000. A decrease to the Ending Fund Balance (\$250,000) is also recommended in this report to partially offset this action.

Ending Fund Balance Adjustment	Planning, Building and Code Enforcement Department		(\$250,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Planning Development Fee Program Fund (238)		0.00	\$500,000	\$500,000
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Public Works Program Support Fund (150)

Personal Services (Overage)	Human Resources Department		\$12,000	
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This action increases the Human Resources Department's Personal Services appropriation in the Public Works Program Support Fund by \$12,000. Through December 2020, personal services are tracking above budgeted levels. This increase accounts for higher than anticipated costs for budgeted positions. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Public Works Department		(\$12,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Public Works Program Support Fund (150)		0.00	\$0	\$0
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Public Works Small Cell Permitting Fee Program Fund (242)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Public Works Small Cell Permitting - Non-Personal/Equipment / Fees, Rates, and Charges	Public Works Department		\$50,000	\$50,000
<p>This action increases the Public Works Small Cell Permitting - Non-Personal/Equipment appropriation and increases the estimate for Fees, Rates, and Charges by \$50,000, from \$4,699,000 to \$4,749,000. This funding supports the Small Cell Permitting Program to cover additional costs related to vehicle equipment, supplies and materials, computer data processing, and ongoing USA North 811 membership fees for excavation costs. These costs were not originally incorporated in the development of the 2020-2021 Adopted Budget for the Small Cell Permitting Fee Program Fund and will be offset by reimbursements from telecom companies.</p>				
Transfer to the General Fund / Fees, Rates, and Charges (Small Cell Permitting Fees)	Public Works Department		(\$707,632)	(\$707,632)
<p>This action decreases the Transfer to the General Fund by \$707,632, from \$1.2 million to \$466,100, and a corresponding decrease to the estimate for Fees, Rates, and Charges by the same amount, from \$4.7 million to \$4.0 million. This action corrects a previous increase to the transfer included in the 2019-2020 Annual Report. After the final closeout of 2019-2020 and reconciliation of the Small Cell Permitting Fee Program, the amount to transfer due to the General Fund is \$466,100, not the \$1.2 million included in the 2019-2020 Annual Report. A corresponding action in the General Fund is recommended elsewhere in this report.</p>				
Public Works Small Cell Permitting Fee Program Fund (242)		0.00	(\$657,632)	(\$657,632)

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

San José Arena Capital Reserve Fund (459)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Previously Approved Repairs Reserve	Office of the City Manager		(\$3,104,151)	
<p>This action decreases the Previously Approved Repairs Reserve appropriation by \$3,104,151, from \$4.9 million to \$1.8 million, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at SAP Center. Corresponding increases to Structures Repairs (\$1,344,315), Electrical Repairs (\$1,316,748), Mechanical (\$160,885), Miscellaneous (\$57,762), and Unanticipated/Emergency Repairs (\$224,441) appropriations are recommended to offset this action in this report.</p>				
Electrical Repairs	City Manager - Office of Economic Development		\$1,316,748	
<p>This action increases the Electrical Repairs appropriation by \$1,316,748, from \$1.2 million to \$2.6 million, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the audio visual systems, building automation system, and lighting system. A corresponding decrease to the Previously Approved Repairs Reserve appropriation to offset this action is recommended in this report.</p>				
Structures Repairs	City Manager - Office of Economic Development		\$1,344,315	
<p>This action increases the Structures Repairs appropriation by \$1,344,315, from \$10,000 to \$1.4 million, to provide funding for reimbursements to Sharks Sports Entertainment for ADA upgrades at the SAP Center. A corresponding decrease to the Previously Approved Repairs Reserve appropriation to offset this action is recommended in this report.</p>				
Mechanical Repairs	City Manager - Office of Economic Development		\$160,885	
<p>This action increases the Mechanical Repairs appropriation by \$160,885, from \$2.5 million to \$2.7 million, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at SAP Center for the brine chillers, HVAC system, and piping. Corresponding decrease to Previously Approved Repairs Reserve appropriation would offset this action recommended in this report.</p>				

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

San José Arena Capital Reserve Fund (459)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Unanticipated/Emergency Repairs	City Manager - Office of Economic Development		\$224,441	

This action increases the Unanticipated/Emergency Repairs appropriation by \$24,441, from \$200,000 to \$224,441, to provide funding for reimbursements to Sharks Sports Entertainment for unanticipated capital improvement repairs to things such as concession equipment and loading dock floors at the SAP Center. A corresponding decrease to the Previously Approved Repairs Reserve appropriation to offset this action is recommended in this report.

Miscellaneous Repairs	City Manager - Office of Economic Development		\$57,762	
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This action increases the Miscellaneous Repairs appropriation by \$57,765, from \$58,000 to \$115,765, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at SAP Center such as glazing. Corresponding decrease to Previously Approved Repairs Reserve appropriation would offset this action recommended in this report.

San José Arena Capital Reserve Fund (459)

0.00 \$0 \$0

State Drug Forfeiture Fund (417)

Non-Personal/Equipment (eCite Software Upgrade)	Police Department		\$150,000	
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This action increases the Non-Personal/Equipment appropriation to the Police Department by \$150,000 to update eCite software and devices which are currently more than 12 years old and are no longer supported by the manufacturer. A new eCite application optimized for cellular phones will replace the existing physical devices, making it easier for every officer to access the platform to issue citations. This action is offset by a corresponding decrease to the Ending Fund Balance recommended elsewhere in this report.

Ending Fund Balance Adjustment	Police Department		(\$150,000)	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

State Drug Forfeiture Fund (417)

0.00 \$0 \$0

Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Licenses and Permits (Cultural Events)</p> <p>This action decreases the revenue estimate for Licenses and Permits by \$24,345, from \$30,000 to \$5,655. Due to the impacts of the COVID-19 pandemic and associated public health orders, the projected number of permitted events has decreased drastically. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development			(\$24,345)
<p>Transient Occupancy Tax</p> <p>This action decreases the estimate for Transient Occupancy Tax by \$5.2 million, from \$13.5 million to \$8.3 million, to reflect the continuing impacts of COVID-19 and suppressed hotel activity. This forecast revision better aligns with year-to-date performance and the adjusted outlook for the remainder of 2020-2021. This revenue loss is partially offset with Ending Fund Balance (\$500,000) in the Transient Occupancy Tax Fund and corresponding reductions to the following appropriations, consistent with the Municipal Code: Cultural Grants (25%; \$1,175,000), San José Convention and Visitors Bureau (25%; \$1,175,000), and the Transfer to the Convention and Cultural Affairs Fund (50%; \$2,350,000).</p>	City Manager - Office of Economic Development			(\$5,200,000)
<p>Cultural Grants</p> <p>This action decreases the Cultural Grants appropriation by \$1,175,000, from \$4.1 million to \$2.9 million, in accordance with allocations (25%) specified by the Municipal Code and a net downward adjustment to projected Transient Occupancy Tax Fund availability totaling \$5.2 million. Corresponding re-balancing adjustments to the San José Convention and Visitors Bureau appropriation, Transfer to the Convention and Cultural Affairs Fund, and Ending Fund Balance are recommended elsewhere in this report.</p>	City Manager - Office of Economic Development		(\$1,175,000)	
<p>San José Convention and Visitors Bureau</p> <p>This action decreases the San José Convention and Visitors Bureau appropriation by \$1,175,000, from \$3.7 million to \$2.5 million, in accordance with allocations (25%) specified by the Municipal Code and a net downward adjustment to projected Transient Occupancy Tax Fund availability totaling \$5.2 million. Corresponding re-balancing adjustments to the Cultural Grants appropriation, Transfer to the Convention and Cultural Affairs Fund, and Ending Fund Balance are recommended elsewhere in this report.</p>	City Manager - Office of Economic Development		(\$1,175,000)	

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Convention and Cultural Affairs Fund	City Manager - Office of Economic Development		(\$2,350,000)	

This action decreases the Transfer to the Convention and Cultural Affairs Fund by \$2,350,000, from \$6.9 million to \$4.6 million, in accordance with allocations (50%) specified by the Municipal Code and a net downward adjustment to projected Transient Occupancy Tax Fund availability totaling \$5.2 million. Corresponding re-balancing adjustments to the Cultural Grants appropriation, San José Convention and Visitors Bureau appropriation, and Ending Fund Balance are recommended elsewhere in this report.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development		(\$524,345)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

Transient Occupancy Tax Fund (461)		0.00	(\$5,224,345)	(\$5,224,345)
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Water Utility Fund (515)

Banking Services (Merchant Card Service Fee)	Finance Department		\$12,000	
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This action is part of a series of adjustments to the Banking Services appropriation in multiple funds due to the implementation of a new credit card service fee reducing estimated revenue as well as to reflect updated forecasts for merchant card processing activity. These actions decrease the Banking Services appropriation in the Airport Maintenance and Operation Fund by \$89,000, and increase the Banking Services appropriations in the Integrated Waste Management Fund by \$4,000 and the Water Utility Fund by \$12,000. A decrease to the Banking Services City-Wide Expenses appropriation in the General Fund (\$312,000) is recommended in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$12,000)	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

Water Utility Fund (515)		0.00	\$0	\$0
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**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Passenger Facility Charge Fund (529)			
Ending Fund Balance Adjustment	Airport	\$8,188,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.			
Transfer to Airport Fiscal Agent Fund	Airport	\$(8,188,000)	
This action decreases the Transfer to the Airport Fiscal Agent Fund by \$8,188,000, from \$22.5 million to \$14.3 million, to fund adjustments for Airport debt service payments. The 2020-2021 Modified Budget includes the use of up to \$8.2 million in CARES Act Relief funding to assist with debt service payments in the current fiscal year. However, the Federal Aviation Authority provided direction that CARES funding is not eligible to pay for the same debt service obligations that are also funded with Passenger Facility Charge (PFC) revenue. Therefore, this action reduces the Transfer to the Airport Fiscal Agent Fund by the amount of debt service that was to be paid with PFC revenue. Instead, the portion of the debt service that was to be paid by PFC revenue will be funded from CARES Funding previously transferred from the Airport Revenue Fund (\$7.0 million) and by a transfer of the remaining CARES Act funding of \$1.2 million from the Airport Revenue Fund, as described elsewhere in this report.			
Airport Passenger Facility Charge Fund (529) TOTAL			
Airport Renewal and Replacement Fund (527)			
Ending Fund Balance Adjustment	Airport	\$(1,000,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
Guadalupe Gardens Fencing	Airport	\$1,000,000	
This action establishes the Guadalupe Gardens Fencing appropriation in the amount of \$1.0 million for site remediation and construction of perimeter fencing with a vehicle gate in the federally regulated area of Guadalupe Gardens. This funding addresses necessary environmental mitigation needs at the Airport. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.			
Airport Renewal and Replacement Fund (527) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
Avenues School Safety Improvements	Transportation	\$1,000,000	
<p>This action increases the Avenues School Safety Improvements appropriation by \$1.0 million, from \$1.0 million to \$2.0 million, to support this City's share of the costs for the improvements to the railroad crossings and roadway intersections of Race Street and Parkmoor Avenue as part of the Avenues School development. The project includes lane reductions, bulbouts at all four corners of the intersection, full pedestrian treatments at sidewalk approaches to the tracks, and modifications to the existing vehicle gates, traffic signal, and pre-signals. The total improvement project is \$8.0 million, which will be cost shared by the City (\$2.0 million) and the private developer (\$6.0 million), who will construct the improvements. A corresponding increase to the estimate for Other Revenue for in-lieu fees received from various projects to fund a portion of the City's share is recommended in this report to offset this action.</p>			
Building and Structure Construction Tax	Transportation		\$6,000,000
<p>This action increases the estimate for Building and Structure Construction Tax by \$6.0 million, from \$19.0 million to \$25.0 million. Building and Structure Construction Tax receipts totaled \$16.9 million through December, which is 89.1% of the Adopted Budget of \$19.0 million, primarily reflecting higher than anticipated commercial development permit activity. While the pace of permitting activity has slowed somewhat in November and December when compared to earlier in the fiscal year, tax receipts are expected to exceed budgeted levels by \$6.0 million. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Transportation	\$5,525,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Monterey Road and Valleyhaven Way Traffic Signal Design	Transportation	\$200,000	
<p>This action establishes the Monterey Road and Valleyhaven Way Traffic Signal Design appropriation in the amount of \$200,000 to fund design work for the installation of a new traffic signal at the intersection of Monterey Road and Valleyhaven Way that was included in the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council. The funding for this project is being reallocated from the Safety - Pedestrian Improvements appropriation to this new appropriation for better tracking of the project. A corresponding decrease to the Safety - Pedestrian and Roadway Improvements appropriation is recommended in this report to offset this action.</p>			
Other Revenue (In-Lieu Fees)	Transportation		\$1,000,000
<p>This action establishes an estimate for Other Revenue in the amount of \$1.0 million to recognize in-lieu fees collected from various projects that will be used to support the City's share for improvements to the railroad crossings and roadway intersections of Race Street and Parkmoor Avenue as part of the Avenues School development. A corresponding increase to the Avenues School Safety Improvements appropriation is recommended to offset this action.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
Safety - Pedestrian and Roadway Improvements	Transportation	\$(200,000)	
<p>This action decreases the Safety - Pedestrian and Roadway Improvements appropriation by \$200,000, from \$4.8 million to \$4.6 million. This appropriation includes funding for a project for the design work related to the installation of a new traffic signal at Monterey Road and Valleyhaven Way as directed in the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council. A separate action in this report reallocates this funding to establish the Monterey Road and Valleyhaven Way Traffic Signal Design appropriation.</p>			
Safety - Traffic Signal Modifications/Construction	Transportation	\$295,000	
<p>This action increases the Safety - Traffic Signal Modifications/Construction appropriation by \$295,000, from \$3.0 million to \$3.3 million, to fund the modification of a traffic signal at the intersection of Coleman Avenue and Newhall Street. The intersection upgrades are part of a project to relocate and expand the Aircraft Rescue and Fire Fighting Facility (Fire Station 20) to include a landside fire station and to relocate the Police Department Air Support Unit Hangar. The two facilities will be relocated to the southwest corner of the Mineta San José International Airport, near Coleman Avenue and Airport Boulevard, thus making way for the eventual construction of a new terminal at the airport. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Safety - Traffic Signal Rehabilitation	Transportation	\$180,000	
<p>This action increases the Safety - Traffic Signal Rehabilitation appropriation by \$180,000, from \$1.1 million to \$1.3 million, to fund increased costs of video detection upgrades along traffic signal re-timing corridors. The wire conduits are in worse condition than originally anticipated and require additional work to repair or replace, resulting in higher contractor costs. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Building and Structure Construction Tax Fund (429) TOTAL		<u>\$7,000,000</u>	<u>\$7,000,000</u>

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Communications Construction and Conveyance Tax Fund (397)			
Construction and Conveyance Tax	Public Works		\$340,000
<p>This action increases the estimate for Communications Construction and Conveyance Tax (C&C) by \$340,000, from \$1.0 million to \$1.4 million, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in Spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Public Works	\$340,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			
Communications Construction and Conveyance Tax Fund (397) TOTAL		<u>\$340,000</u>	<u>\$340,000</u>

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Construction Excise Tax	Planning, Building and Code Enforcement		\$7,000,000
<p>This action increases the estimate for Construction Excise Tax by \$7.0 million, from \$14.0 million to \$21.0 million. Construction Excise Tax receipts totaled \$12.4 million through December, 88.6% of the Adopted Budget of \$14.0 million, reflecting higher than anticipated commercial development permit activity. While the pace of permitting activity has slowed somewhat in November and December when compared to earlier this fiscal year, tax receipts are anticipated to exceed budgeted levels by \$7.0 million. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>			
Downtown San José Mobility, Streetscape, and Public Life Plan	Transportation	\$70,000	
<p>This action increases the Downtown San José Mobility, Streetscape, and Public Life Plan appropriation by \$70,000, from \$11,000 to \$81,000, for overhead costs that are not eligible for grant reimbursement. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Transportation	\$5,607,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Evergreen Traffic Impact Fees Reserve	Transportation	\$(400,000)	
<p>This action decreases the Evergreen Traffic Impact Fees Reserve by \$400,000, from \$7.1 million to \$6.7 million, to fund design work on new traffic signals at the intersections of Quimby Road and White Road (\$200,000) and Highway 680 and Jackson Avenue (\$200,000). Corresponding actions to establish the Quimby Road and White Road Traffic Signal and Highway 680 and Jackson Avenue Traffic Signal appropriations are also recommended in this report to offset this action.</p>			
Highway 680 and Jackson Avenue Traffic Signal	Transportation	\$200,000	
<p>This action establishes the Highway 680 and Jackson Avenue Traffic Signal appropriation in the amount of \$200,000 for design work on new traffic signals at the intersection of Highway 680 and Jackson Avenue. The total project cost is \$1.6 million. Construction will begin next fiscal year, and the remaining project costs will be programmed as part of the development of the 2022-2026 Proposed Capital Improvement Plan to fully fund the project. A corresponding decrease to the Evergreen Traffic Impact Fees Reserve is recommended in this report to offset this action.</p>			
Miscellaneous Street Improvements	Transportation	\$323,000	
<p>This action increases the Miscellaneous Street Improvements appropriation by \$323,000, from \$225,000 to \$548,000. The additional funding will provide for projects that were earmarked as part of the 2019-2020 allocation but were delayed because of the COVID-19 pandemic. The unspent funds fell to fund balance, and this action restores the funding to implement the earmarked projects. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
North San José Light Rail Cabinets	Transportation	\$325,000	
<p>This action establishes the North San José Light Rail Cabinets appropriation in the amount of \$325,000 to purchase new traffic control cabinets for light rail intersections in the North San José (NSJ) Area. The replacement of existing control cabinets with the new ones that use current technology will improve signal operations at light rail intersections. A total of 72 light rail intersections are located within the City and 25 are located in the NSJ area. A corresponding decrease to the North San José Traffic Impact Fees Reserve is recommended in this report to offset this action.</p>			
North San José Traffic Impact Fees Reserve	Transportation	\$(325,000)	
<p>This action decreases the North San José Traffic Impact Fees Reserve by \$325,000, from \$15.9 million to \$15.6 million, to reallocate funding to purchase traffic control cabinets for light rail intersections in the North San José (NSJ) Area. Traffic signal operations are included in the NSJ Area Policy Plan, and traffic impact fees can be used to purchase the traffic control cabinets. A corresponding action to establish the North San José Light Rail Cabinets appropriation is recommended to offset this action.</p>			
Pavement Maintenance - Complete Street Project Development	Transportation	\$1,000,000	
<p>This action increases the Pavement Maintenance - Complete Street Project Development appropriation by \$1.0 million, from \$2.6 million to \$3.6 million, to restore funding that was eliminated during the development of the 2020-2021 Adopted Capital Budget in anticipation of revenue shortfalls due to the COVID-19 pandemic. The funding is recommended to be restored for this project due to the higher than anticipated collections of Construction Excise Tax revenue. As part of this report, a separate action is recommended to recognize additional tax revenues of \$7.0 million. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Pavement Maintenance - Measure B 2010 VRF	Transportation	\$832,218	
<p>This action increases the Pavement Maintenance - VTA Measure B VRF appropriation by \$832,218, from \$13.6 million to \$14.4 million, for revenue from Vehicle Registration Fee (VRF) funds that was received above the 2020-2021 Adopted Capital Budget and will be used for pavement maintenance activities. A corresponding increase to the estimate for Revenue from Local Agencies is recommended to offset this action.</p>			
Quimby Road and White Road Traffic Signal	Transportation	\$200,000	
<p>This action establishes the Quimby Road and White Road Traffic Signal appropriation in the amount of \$200,000 for design work on new traffic signals at the intersection of Quimby Road and White Road. The total project cost is \$1.0 million. Construction will begin next fiscal year, and the remaining project costs will be programmed as part of the development of the 2022-2026 Proposed Capital Improvement Plan to fully fund the project. A corresponding decrease to the Evergreen Traffic Impact Fees Reserve is recommended in this report to offset this action.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Revenue from Local Agencies (Pavement Maintenance - Measure B VRF)	Transportation		\$832,218
<p>This action increases the estimate for Revenue from Local Agencies by \$832,218, from \$47.8 million to \$48.6 million, for VTA Measure B Vehicle Registration Fee (VRF) funds received this fiscal year that were higher than the amount estimated in 2020-2021 Adopted Capital Budget. The funds are used for pavement maintenance activities. A corresponding increase to the Pavement Maintenance - VTA Measure B VRF appropriation is recommended to offset this action.</p>			
Construction Excise Tax Fund (465) TOTAL		\$7,832,218	\$7,832,218

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention and Cultural Affairs Capital Fund (560)			
Cultural Facilities Planning and Project Development	Office of Economic Development	\$(165,000)	
<p>This action eliminates the Cultural Facilities Planning and Project Development in the amount \$165,000 as part of a series of actions within the Convention and Cultural Affairs Capital Fund to postpone projects that were initially reauthorized with funds rebudgeted from 2019-2020, and to capture savings from the completion of projects. These actions supplement the available fund balance within the Convention and Cultural Affairs Capital Fund for transfer to the Convention and Cultural Affairs Fund to partially offset the projected Transient Occupancy Tax revenue loss and Convention Facilities Operations requirements stemming from the continued impacts of COVID-19.</p>			
Cultural Facilities Rehabilitation/Repair - Electrical	Office of Economic Development	\$(13,000)	
<p>This action decreases the Cultural Facilities Rehabilitation/Repair - Electrical appropriation by \$13,000, from \$672,000 to \$659,000, as part of a series of actions within the Convention and Cultural Affairs Capital Fund to postpone projects that were initially reauthorized with funds rebudgeted from 2019-2020, and to capture savings from the completion of projects. These actions supplement the available fund balance within the Convention and Cultural Affairs Capital Fund for transfer to the Convention and Cultural Affairs Fund to partially offset the projected Transient Occupancy Tax revenue loss and Convention Facilities Operations requirements stemming from the continued impacts of COVID-19.</p>			
Cultural Facilities Rehabilitation/Repair - Mechanical	Office of Economic Development	\$13,000	
<p>This action increases the Cultural Facilities Rehabilitation/Repair - Mechanical appropriation by \$13,000, from \$1.30 million to \$1.31 million, to complete the installation of heated water lines to the Civic Auditorium restrooms. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>			
Cultural Facilities Rehabilitation/Repair - Miscellaneous	Office of Economic Development	\$(8,000)	
<p>This action decreases the Cultural Facilities Rehabilitation/Repair - Miscellaneous appropriation by \$8,000, from \$60,000 to \$52,000, as part of a series of actions within the Convention and Cultural Affairs Capital Fund to postpone projects that were initially reauthorized with funds rebudgeted from 2019-2020, and to capture savings from the completion of projects. These actions supplement the available fund balance within the Convention and Cultural Affairs Capital Fund for transfer to the Convention and Cultural Affairs Fund to partially offset the projected Transient Occupancy Tax revenue loss and Convention Facilities Operations requirements stemming from the continued impacts of COVID-19.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention and Cultural Affairs Capital Fund (560)			
Cultural Facilities Rehabilitation/Repair - Structures	Office of Economic Development	\$(32,000)	
<p>This action decreases the Cultural Facilities Rehabilitation/Repair - Structures appropriation by \$32,000, from \$317,000 to \$285,000, as part of a series of actions within the Convention and Cultural Affairs Capital Fund to postpone projects that were initially reauthorized with funds rebudgeted from 2019-2020, and to capture savings from the completion of projects. These actions supplement the available fund balance within the Convention and Cultural Affairs Capital Fund for transfer to the Convention and Cultural Affairs Fund to partially offset the projected Transient Occupancy Tax revenue loss and Convention Facilities Operations requirements stemming from the continued impacts of COVID-19.</p>			
Ending Fund Balance Adjustment	Finance	\$(2,180,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Preliminary Engineering - Cultural Facilities	Public Works	\$50,000	
<p>This action reestablishes the Preliminary Engineering - Cultural Facilities appropriation in the amount of \$50,000 to support Public Works staffing costs incurred in support of capital improvements continuing into 2020-2021. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Transfer to the Convention and Cultural Affairs Fund	Office of Economic Development	\$2,335,000	
<p>This action increases the Transfer to the Convention and Cultural Affairs Fund by \$2,335,000, from \$2.9 million to \$5.2 million, to return funds to the Convention and Cultural Affairs Capital Fund from project savings and the postponement of projects that were initially reauthorized from 2019-2020. This transfer partially offsets the projected Transient Occupancy Tax revenue loss and Convention Facilities Operations requirements stemming from the continued impacts of COVID-19.</p>			
Convention and Cultural Affairs Capital Fund (560) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention Center Facilities District Capital Fund (798)			
Ending Fund Balance Adjustment	Finance	\$(1,700,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
Transfer to the Convention Center Facilities District Revenue Fund	Public Works	\$1,700,000	
This action increases the Transfer to the Convention Center Facility District Revenue Fund by \$1.7 million, from \$2.3 million to \$4.0 million, to partially offset the projected loss of Convention Center Facilities District Special Tax receipts (\$3.5 million) due to the continued impacts of COVID-19. Additional adjustments to balance the Convention Center Facility District Revenue Fund through the deferral of commercial paper payments are recommended in this report.			
Convention Center Facilities District Capital Fund (798) TOTAL			
Council District 1 Construction and Conveyance Tax Fund (377)			
Council District 1 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$458,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$458,000, from \$344,000 to \$802,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 1 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$391,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Mise Park Improvements	Parks, Recreation and Neighborhood Services	\$140,000	
This action increases the Mise Park Improvements project in the amount of \$140,000, from \$20,000 to \$160,000. This project was initially estimated to begin in summer 2021, however, construction is now anticipated to occur in spring 2021. Therefore, funding of \$140,000 is recommended to be allocated in the current year, which will ensure sufficient funding is available for the project. The Mise Park Improvements project provides funding for resurfacing the existing sports courts, installing or repairing basketball poles and hoops, re-striping the courts, and other miscellaneous park improvements. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action. Additionally, as part of the 2021-2022 budget process, funding of \$140,000 will be eliminated in 2021-2022 for the Mise Park Improvements project, which will return funding to the Ending Fund Balance.			
Council District 1 Construction and Conveyance Tax Fund (377) TOTAL		\$531,000	\$531,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 10 Construction and Conveyance Tax Fund (389)			
Council District 10 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$89,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$89,000, from \$67,000 to \$156,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 10 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$162,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 10 Construction and Conveyance Tax Fund (389) TOTAL		\$162,000	\$162,000
Council District 2 Construction and Conveyance Tax Fund (378)			
Council District 2 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$170,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$170,000, from \$127,000 to \$297,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 2 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$49,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Ramac Park Turf Replacement	Parks, Recreation and Neighborhood Services	\$194,000	
This action establishes the Ramac Park Turf Replacement project in the amount of \$194,000 to ensure the sufficient funding is available to complete the project. This additional funding will support higher than anticipated construction and professional services costs. Funding of \$1,748,000 is currently available in the General Fund to convert the deteriorated grass soccer field turf to an artificial turf multi-sport field. Additional funding needed for the Ramac Park Turf Replacement project totals \$387,000, of which \$193,000 is recommended from the Park Trust Fund (offset by a decrease in Future PDO/PIO Projects Reserve) and \$194,000 is recommended from the Council District 2 Construction and Conveyance Tax Fund (offset by a decrease in the Ending Fund Balance).			
Council District 2 Construction and Conveyance Tax Fund (378) TOTAL		\$243,000	\$243,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 3 Construction and Conveyance Tax Fund (380)			
Council District 3 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$148,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$148,000, from \$111,000 to \$259,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 3 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$131,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Strategic Capital Replacement and Maintenance Needs	Parks, Recreation and Neighborhood Services	\$50,000	
This action increases the Strategic Capital Replacement and Maintenance Needs appropriation in the amount of \$50,000, from \$132,000 to \$182,000. This additional funding will support various safety improvements, such as fencing repairs at the Guadalupe River Park, Ryland Park Basketball Court repairs, and other miscellaneous safety improvements in Council District 3. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.			
TRAIL: Five Wounds Development (Story Road to Whitton Avenue)	Parks, Recreation and Neighborhood Services	\$40,000	
This action increases the TRAIL: Five Wounds Development (Story Road to Whitton Avenue) project by \$40,000, from \$210,000 to \$250,000, to ensure sufficient funding is available to complete the project. This additional funding will support the higher than anticipated consultant costs and staffing costs that are anticipated to be incurred in 2020-2021. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.			
Council District 3 Construction and Conveyance Tax Fund (380) TOTAL		\$221,000	\$221,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 4 Construction and Conveyance Tax Fund (381)			
Council District 4 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$108,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$108,000, from \$81,000 to \$189,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 4 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$131,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Strategic Capital Replacement and Maintenance Needs	Parks, Recreation and Neighborhood Services	\$50,000	
This action increases the Strategic Capital Replacement and Maintenance Needs appropriation in the amount of \$50,000, from \$101,000 to \$151,000. This additional funding will support various safety improvements, such as concrete repairs, unsafe bleacher replacements, and other miscellaneous safety improvements in Council District 4. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.			
Council District 4 Construction and Conveyance Tax Fund (381) TOTAL		\$181,000	\$181,000
Council District 5 Construction and Conveyance Tax Fund (382)			
Council District 5 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$484,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$484,000, from \$363,000 to \$847,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 5 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$557,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL		\$557,000	\$557,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 6 Construction and Conveyance Tax Fund (384)			
Council District 6 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$428,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$428,000, from \$321,000 to \$749,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 6 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$501,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 6 Construction and Conveyance Tax Fund (384) TOTAL		\$501,000	\$501,000
Council District 7 Construction and Conveyance Tax Fund (385)			
Council District 7 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$421,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$421,000, from \$316,000 to \$737,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 7 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$494,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 7 Construction and Conveyance Tax Fund (385) TOTAL		\$494,000	\$494,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 8 Construction and Conveyance Tax Fund (386)			
Council District 8 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$279,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$279,000, from \$210,000 to \$489,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 8 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$352,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 8 Construction and Conveyance Tax Fund (386) TOTAL		\$352,000	\$352,000
Council District 9 Construction and Conveyance Tax Fund (388)			
Council District 9 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$312,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$312,000, from \$234,000 to \$546,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 9 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$73,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$385,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.			
Council District 9 Construction and Conveyance Tax Fund (388) TOTAL		\$385,000	\$385,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Construction and Conveyance Tax Fund (392)			
Construction and Conveyance Tax	Fire		\$840,000
<p>This action increases the estimate for Fire Construction and Conveyance Tax (C&C) revenue estimate by \$840,000, from \$2.5 million to \$3.4 million, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Emergency Medical Services Equipment	Fire	\$103,000	
<p>This action reestablishes the Emergency Medical Services Equipment appropriation in the amount of \$103,000 to extend the warranty for 57 Life Pack (LP) 15s. The LP15 is a critical piece of medical equipment needed during emergency incident calls for emergency cardiac responses. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Fire	\$699,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Fuel Tank Replacement (Fire Station 22)	Fire	\$38,000	
<p>This action increases the Fuel Tank Replacement appropriation by \$38,000, from \$127,000 to \$165,000, to remove the Fire Station 22 underground fuel tank and replace it with an above ground fuel tank. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Fire Construction and Conveyance Tax Fund (392) TOTAL		\$840,000	\$840,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
General Purpose Parking Capital Fund (559)			
SAP/Diridon Area Parking and Transportation Reserve	Transportation	\$(2,700,000)	
<p>This action decreases the SAP/Diridon Area Parking and Transportation Reserve by \$2.7 million, from \$16.2 million to \$13.5 million. The General Purpose Parking Fund, the operating fund, is anticipated to have a reduction of \$2.7 million in parking garage and meter revenue collections as a result of the COVID-19 pandemic. The General Purpose Parking Fund is the source of funding for capital projects in the Parking Capital Program. This action will offset a Transfer to the General Purpose Parking Fund to rebalance the Operating fund.</p>			
Transfer to General Purpose Parking Fund	Transportation	\$2,700,000	
<p>This action increases the transfer to the General Purpose Parking Fund by \$2.7 million, from \$3.0 million to \$5.7 million. The General Purpose Parking Fund is the source of funding for capital projects in the Parking Capital Program, and capital funds are being transferred to the General Purpose Parking Fund due to reduced revenue collections from parking garages and meters as a result of the COVID-19 pandemic. A corresponding decrease to the SAP/Diridon Station Area Parking and transportation Reserve is recommended in this report to offset this action.</p>			
General Purpose Parking Capital Fund (559) TOTAL		_____	_____
Lake Cunningham Fund (462)			
Capital Program and Public Works Department Support Service Costs	Parks, Recreation and Neighborhood Services	\$20,000	
<p>This action increases the Capital Program and Public Works Department Support Services Costs allocation by \$20,000, from \$2,000 to \$22,000, to reflect higher than anticipated direct labor and professional services costs incurred by the Public Works Department for projects. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(330,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Lake Cunningham Parking Revenue	Parks, Recreation and Neighborhood Services		\$(310,000)
<p>This action eliminates the estimate for Lake Cunningham Parking Revenue (Fees, Rates and Charges) in the amount of \$310,000. Lake Cunningham operations were significantly impacted by Santa Clara County's shelter-in place orders that began in March 2020 as a result of the COVID-19 pandemic. The Lake Cunningham Park will remain closed for the foreseeable future; therefore, no parking revenue is anticipated to be received in 2020-2021. A corresponding action to decrease the Ending Fund Balance is recommended in this report to offset this action.</p>			
Lake Cunningham Fund (462) TOTAL		\$(310,000)	\$(310,000)

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Library Construction and Conveyance Tax Fund (393)			
Construction and Conveyance Tax	Library		\$1,422,000
<p>This action increases the Library Construction and Conveyance Tax (C&C) revenue estimate by \$1.4 million, from \$4.3 million to \$5.7 million, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Finance	\$1,422,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			
Library Construction and Conveyance Tax Fund (393) TOTAL		<u>\$1,422,000</u>	<u>\$1,422,000</u>

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Measure T: Public Safety and Infrastructure Bond Fund (498)			
Ending Fund Balance Adjustment (Municipal Improvements)	Public Works	\$(3,000,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
Ending Fund Balance Adjustment (Public Safety)	Public Works	\$3,000,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.			
Measure T - Emergency Operations Center Relocation	Public Works	\$(3,000,000)	
Restores funding in the amount of \$3 million to the Measure T Environmental Protection Projects by reducing the budget for the Measure T Emergency Operations Center (EOC) Relocation project. Staff expected project savings from the Coyote Valley land acquisition and reallocated it to the EOC Relocation project during the development of the 2020-2021 Adopted Capital Budget. Funds are recommended to be restored back to the original budget since the demolition costs for the Coyote Valley land acquisition were higher than expected and the construction award for the EOC Relocation project was lower than budgeted. This adjustment was anticipated prior to the recent contract award for the construction of the EOC/Fire Department Training Center.			
Measure T - Environmental Protection Projects	Public Works	\$3,000,000	
Restores funding in the amount of \$3 million to the Measure T Environmental Protection Projects by reducing the budget for the Measure T Emergency Operations Center (EOC) Relocation project. Staff expected project savings from the Coyote Valley land acquisition and reallocated it to the EOC Relocation project during the development of the 2020-2021 Adopted Capital Budget. Funds are recommended to be restored back to the original budget since the demolition costs for the Coyote Valley land acquisition were higher than expected and the construction award for the EOC Relocation project was lower than budgeted. This adjustment was anticipated prior to the recent contract award for the construction of the EOC/Fire Department Training Center.			
Measure T: Public Safety and Infrastructure Bond Fund (498) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Park Yards Construction and Conveyance Tax Fund (398)			
Construction and Conveyance Tax	Parks, Recreation and Neighborhood Services		\$120,000
<p>This action increases the Park Yards Construction and Conveyance Tax (C&C) revenue estimate by \$120,000, from \$360,000 to \$480,000, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$102,000	
<p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>			
Transfer to General Fund - Park Yards Operating and Maintenance Expenses	Parks, Recreation and Neighborhood Services	\$18,000	
<p>This action increases the Transfer to the General Fund for operating and maintenance costs by \$18,000, from \$54,000 to \$72,000, to account for higher than anticipated Construction and Conveyance Tax (C&C) revenue collections. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department</p>			
Park Yards Construction and Conveyance Tax Fund (398) TOTAL		\$120,000	\$120,000
Parks and Recreation Bond Projects Fund (471)			
Parks and Recreation Bond Projects Contingency Reserve	Parks, Recreation and Neighborhood Services	\$(822)	
<p>This action decreases the Parks and Recreation Bond Projects Contingency Reserve to offset the action recommended in this report.</p>			
Solari Park Improvements	Parks, Recreation and Neighborhood Services	\$822	
<p>This action increases the Solari Park Improvements appropriation by \$822, from \$112,000 to \$112,822. This funding (which was part of the Coleman Property sale) was made available in the Parks and Recreation Bond Projects Contingency Reserve when a carry-over encumbrance was liquidated in 2019-2020. This action reinstates the project funding to ensure Coleman Property sale funds are expended before the Internal Revenue Service deadline. A corresponding decrease in the Parks and Recreation Bond Projects Contingency Reserve is recommended in this report to offset this action.</p>			
Parks and Recreation Bond Projects Fund (471) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Construction and Conveyance Tax	Parks, Recreation and Neighborhood Services		\$6,400,000
<p>This action increases the Parks Construction and Conveyance Tax (C&C) revenue estimate by \$6.4 million, from \$19.2 million to \$25.6 million, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Council District 1 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$458,000	
<p>This action increases the Needs-Based Transfer to the Council District 1 Construction and Conveyance Tax Fund by \$458,000, from \$344,000 to \$802,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 1 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
<p>This action increases the Special Needs Transfer to the Council District 1 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 10 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$89,000	
<p>This action increases the Needs-Based Transfer to the Council District 10 Construction and Conveyance Tax Fund by \$89,000, from \$67,000 to \$156,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 10 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
<p>This action increases the Special Needs Transfer to the Council District 10 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 2 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$170,000	
<p>This action increases the Needs-Based Transfer to the Council District 2 Construction and Conveyance Tax Fund by \$170,000, from \$127,000 to \$297,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 2 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
<p>This action increases the Special Needs Transfer to the Council District 2 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Council District 3 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$148,000	
This action increases the Needs-Based Transfer to the Council District 3 Construction and Conveyance Tax Fund by \$148,000, from \$111,000 to \$259,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 3 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 3 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 4 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$108,000	
This action increases the Needs-Based Transfer to the Council District 4 Construction and Conveyance Tax Fund by \$108,000, from \$81,000 to \$189,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 4 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 4 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 5 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$484,000	
This action increases the Needs-Based Transfer to the Council District 5 Construction and Conveyance Tax Fund by \$484,000, from \$363,000 to \$847,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 5 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 5 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 6 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$428,000	
This action increases the Needs-Based Transfer to the Council District 6 Construction and Conveyance Tax Fund by \$428,000, from \$321,000 to \$749,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 6 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 6 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 7 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$421,000	
This action increases the Needs-Based Transfer to the Council District 7 Construction and Conveyance Tax Fund by \$421,000, from \$316,000 to \$737,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Council District 7 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 7 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 8 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$279,000	
This action increases the Needs-Based Transfer to the Council District 8 Construction and Conveyance Tax Fund by \$279,000, from \$210,000 to \$489,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 8 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 8 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 9 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$312,000	
This action increases the Needs-Based Transfer to the Council District 9 Construction and Conveyance Tax Fund by \$312,000, from \$234,000 to \$546,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Council District 9 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$73,000	
This action increases the Special Needs Transfer to the Council District 9 Construction and Conveyance Tax Fund by \$73,000, from \$54,000 to \$127,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Transfer to the General Fund Parks Eligible Maintenance Costs	Parks, Recreation and Neighborhood Services	\$960,000	
This action increases the transfer to the General Fund for operating and maintenance costs by \$960,000, from \$2,880,000 to \$3,840,000, to account for higher than anticipated Construction and Conveyance Tax (C&C) revenue collections. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.			
Transfer to the Parks City-Wide C&C Tax Fund	Parks, Recreation and Neighborhood Services	\$1,813,000	
This action increases the transfer allocation to the Parks City-Wide Construction and Conveyance Tax Fund by \$1,813,000, from \$1,356,000 to \$3,169,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.			
Parks Central Construction and Conveyance Tax Fund (390) TOTAL		\$6,400,000	\$6,400,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks City-Wide Construction and Conveyance Tax Fund (391)			
2017 Flood - Commercial Paper Debt Service and Letter of Credit Fees	Parks, Recreation and Neighborhood Services	\$152,000	
<p>This action increases 2017 Flood - Commercial Paper Debt Service and Letter of Credit Fees appropriation by \$152,000, from \$897,000 to \$1,049,000. This additional funding will support the interest payment due this fiscal year on the committed Commercial Paper borrowings for the 2017 Flood Event projects. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action</p>			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$1,503,000	
<p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>			
Environmental Mitigation Maintenance and Monitoring	Parks, Recreation and Neighborhood Services	\$23,000	
<p>This action increases the Environmental Mitigation Maintenance and Monitoring appropriation by \$23,000, from \$320,000 to \$343,000. This additional funding will support the higher than anticipated consultant costs that are anticipated to occur in 2020-2021. The Environmental Mitigation Maintenance and Monitoring allocation provides funding for monitoring and maintaining environmental mitigation areas associated with capital projects. This monitoring efforts, which is often mandated by the State of California, requires the use of qualified biologists to prepare and submit reports as to the condition of sites. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Family Camp Infrastructure Renovations	Parks, Recreation and Neighborhood Services	\$60,000	
<p>This action increases the Family Camp Infrastructure Renovation appropriation by \$60,000, from \$17,000 to \$77,000. This allocation was inadvertently excluded from the 2020-2021 Adopted Capital Budget. This allocation provides ongoing funding for repairs and minor capital maintenance needs at Family Camp in Yosemite. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Kelley Park Master Plan	Parks, Recreation and Neighborhood Services	\$25,000	
<p>This action increases the Kelley Park Master Plan project by \$25,000, from \$0 to \$25,000. Funding totaling \$64,000 was expended or encumbered through 2019-2020 for development of the master planning process. This action increases the project funding and expands the project scope to include a lighting study, which will assess the lightning enhancements necessary for future design and construction needs at the park. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Preliminary Engineering - Trails	Parks, Recreation and Neighborhood Services	\$50,000	
<p>This action increases the Preliminary Engineering - Trails appropriation by \$50,000, from \$160,000 to \$210,000. This additional funding is required to complete several engineering assessments, including the Happy Hollow Park and Zoo Bent Bridge and Coyote Creek Trail (Phelan Ave to Tully Rd). A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks City-Wide Construction and Conveyance Tax Fund (391)			
Transfers and Reimbursements (Transfer in from C&C Tax Fund: Parks Purposes Central Fund)	Parks, Recreation and Neighborhood Services		\$1,813,000
<p>This action increases the Transfers and Reimbursements (transfer in from C&C Tax Fund: Parks Purposes Central Fund) allocation from the Parks Central Construction and Conveyance Tax Fund by \$1,813,000 from \$1,356,000 to \$3,169,000, to account for higher than anticipated Construction and Conveyance Tax revenue collections.</p>			
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL		\$1,813,000	\$1,813,000
Service Yards Construction and Conveyance Tax Fund (395)			
Construction and Conveyance Tax	Public Works		\$878,000
<p>This action increases the estimate for Service Yards Construction and Conveyance Tax (C&C) by \$878,000, from \$2.6 million to \$3.5 million, to account for higher than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to increase by \$10.0 million (from \$30.0 million to \$40.0 million) to reflect actual collection trends. When the 2020-2021 Adopted Capital Budget was developed, the COVID-19 pandemic was anticipated to have a significant negative impact on the local real estate market. However, after a slight decline in spring 2020, the local real estate market has since experienced strong growth in both the number of property transfers and the median home prices, resulting in higher than anticipated C&C Tax receipts. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Public Works	\$878,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			
Service Yards Construction and Conveyance Tax Fund (395) TOTAL		\$878,000	\$878,000

**Capital Funds Recommended Budget Adjustments Summary
2020-2021 Mid-Year Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
Biebrach Park Renovation	Parks, Recreation and Neighborhood Services	\$13,000	
<p>This action increases the Biebrach Park Renovation by \$13,000, from \$68,000 to \$81,000, to ensure sufficient funding is available to complete the project. The additional funding is required to support higher than anticipated project delivery costs. A corresponding decrease to the Future PDO/PIO Projects Reserve is recommended in this report to offset this action.</p>			
Future PDO/PIO Projects Reserve	Parks, Recreation and Neighborhood Services	\$(272,000)	
<p>This action decreases the Future PDO/PIO Projects Reserve to offset the actions recommended in this report.</p>			
Ramac Park Turf Replacement	Parks, Recreation and Neighborhood Services	\$193,000	
<p>This action establishes the Ramac Park Turf Replacement project in the amount of \$193,000 to ensure the sufficient funding is available to complete the project. This additional funding will support higher than anticipated construction and professional services costs. Funding of \$1,748,000 is currently available in the General Fund to convert the deteriorated grass soccer field turf to an artificial turf multi-sport field. Additional funding needed for the Ramac Park Turf Replacement project totals \$387,000, of which \$193,000 is recommended from the Park Trust Fund (offset by a decrease in Future PDO/PIO Projects Reserve) and \$194,000 is recommended from the Council District 2 Construction and Conveyance Tax Fund (offset by a decrease in the Ending Fund Balance).</p>			
Rincon South Park Development	Parks, Recreation and Neighborhood Services	\$25,000	
<p>This action increases the Rincon South Park Development project by \$25,000, from \$43,000 to \$68,000, to support unanticipated inspection costs that arose during the construction of the project. A corresponding decrease to the Future PDO/PIO Projects Reserve is recommended in this report to offset this action.</p>			
TRAIL: Lower Silver Creek (Peter Pan Avenue to Bredford Way) Reserve	Parks, Recreation and Neighborhood Services	\$41,000	
<p>This action establishes the TRAIL: Lower Silver Creek (Peter Pan Avenue to Bredford Way) Reserve appropriation in the amount of \$41,000. This reserve will provide funding for future landscaping and other minor improvements at the Peter Pan Avenue and Bredford Way intersection of the trail. A corresponding decrease to the Future PDO/PIO Projects Reserve is recommended in this report to offset this action.</p>			
Subdivision Park Trust Fund (375) TOTAL			

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/Equipment	Total Use	Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES							
Office of the City Attorney							
Clean-Up Actions	Salary and Benefits Program	\$311,356	-	\$311,356	-	-	\$311,356
	Voluntary Furlough/Reduced Work Week Program	(\$14,694)	-	(\$14,694)	-	-	(\$14,694)
Office of the City Clerk							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Redistricting Commission)	-	\$150,000	\$150,000	-	-	\$150,000
	Non-Personal/Equipment (Charter Review Commission)	-	\$108,000	\$108,000	-	-	\$108,000
Office of the City Clerk							
Clean-Up Actions	Salary and Benefits Program	\$23,537	-	\$23,537	-	-	\$23,537
	Voluntary Furlough/Reduced Work Week Program	(\$1,726)	-	(\$1,726)	-	-	(\$1,726)
Office of the City Manager							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$11,362)	-	(\$11,362)	-	-	(\$11,362)
City Manager - Office of Economic Development							
Clean-Up Actions	Salary and Benefits Program	\$123,297	-	\$123,297	-	-	\$123,297
	Voluntary Furlough/Reduced Work Week Program	(\$1,904)	-	(\$1,904)	-	-	(\$1,904)
Environmental Services Department							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$3,123)	-	(\$3,123)	-	-	(\$3,123)
Finance Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Pension Obligation Bond Consulting Services)	-	\$300,000	\$300,000	-	-	\$300,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/Equipment	Total Use	Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES							
Finance Department							
Clean-Up Actions	Salary and Benefits Program	\$231,926	-	\$231,926	-	-	\$231,926
Fire Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Urban Search and Rescue Training)	-	\$46,339	\$46,339	-	-	\$46,339
Fire Department							
Grants-Reimbursements-Fees	Personal Services/Revenue from State of California (Strike Team Reimbursement)	\$182,263	-	\$182,263	\$182,263	-	-
	Non-Personal/Equipment/Revenue from State of California (Strike Team Reimbursement)	-	\$24,013	\$24,013	\$24,013	-	-
	Personal Services/Revenue from the Federal Government (Cyclone Laura Reimbursement)	\$29,291	-	\$29,291	\$29,291	-	-
Fire Department							
Clean-Up Actions	Salary and Benefits Program	\$547,671	-	\$547,671	-	-	\$547,671
	Voluntary Furlough/Reduced Work Week Program	(\$3,702)	-	(\$3,702)	-	-	(\$3,702)
Human Resources Department							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$4,476)	-	(\$4,476)	-	-	(\$4,476)
Independent Police Auditor's Office							
Clean-Up Actions	Salary and Benefits Program	\$30,831	-	\$30,831	-	-	\$30,831
	Voluntary Furlough/Reduced Work Week Program	(\$1,994)	-	(\$1,994)	-	-	(\$1,994)
Information Technology Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Windows 10 Enterprise Operating System Licenses)	-	\$98,000	\$98,000	-	-	\$98,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES							
Information Technology Department							
Clean-Up Actions	Salary and Benefits Program	\$1,127	-	\$1,127	-	-	\$1,127
	Voluntary Furlough/Reduced Work Week Program	(\$7,510)	-	(\$7,510)	-	-	(\$7,510)
Library Department							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$16,331)	-	(\$16,331)	-	-	(\$16,331)
Mayor & City Council							
Grants-Reimbursements-Fees	Office of the Mayor/Other Revenue	\$25,000	-	\$25,000	\$25,000	-	-
Mayor & City Council							
Clean-Up Actions	Tech Adjust: Council District #04 (Reallocate from Council District #04 (January – June))	\$1,046,233	-	\$1,046,233	-	-	\$1,046,233
	Tech Adjust: Council District #06 (Reallocate from Council District #06 (January – June))	\$626,419	-	\$626,419	-	-	\$626,419
	Tech Adjust: Council District #10 (Reallocate from Council District #10 (January – June))	\$537,088	-	\$537,088	-	-	\$537,088
	Tech Adjust: Council District #04 (January - June) (Reallocate to Council District #04)	(\$1,046,233)	-	(\$1,046,233)	-	-	(\$1,046,233)
	Tech Adjust: Council District #06 (January - June) (Reallocate to Council District #06)	(\$626,419)	-	(\$626,419)	-	-	(\$626,419)
	Tech Adjust: Council District #10 (January - June) (Reallocate to Council District #10)	(\$537,088)	-	(\$537,088)	-	-	(\$537,088)
	Salary and Benefits Program	\$38,200	-	\$38,200	-	-	\$38,200
Parks, Recreation and Neighborhood Services Department							
Required Technical-Rebalancing Actions	Fee Activities	(\$617,491)	(\$3,382,509)	(\$4,000,000)	-	-	(\$4,000,000)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST		
		Personal Services	Non-Personal/Equipment	Total Use	Revenue	Beg Fund Balance		
DEPARTMENTAL EXPENSES								
Parks, Recreation and Neighborhood Services Department	Grants-Reimbursements-Fees	Non-Personal/Equipment/Other Revenue (National Recreation and Park Association Grant)	-	\$10,000	\$10,000	\$10,000	-	-
Parks, Recreation and Neighborhood Services Department	Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$16,036)	-	(\$16,036)	-	-	(\$16,036)
Planning, Building and Code Enforcement Department	Required Technical-Rebalancing Actions	Personal Services (Vacancy Savings)	(\$200,000)	-	(\$200,000)	-	-	(\$200,000)
		Non-Personal/Equipment (Code Enforcement Fee Program Consultant Study)	-	\$200,000	\$200,000	-	-	\$200,000
Planning, Building and Code Enforcement Department	Clean-Up Actions	Salary and Benefits Program	\$143,095	-	\$143,095	-	-	\$143,095
		Voluntary Furlough/Reduced Work Week Program	(\$15,095)	-	(\$15,095)	-	-	(\$15,095)
Police Department	Urgent Fiscal-Program Needs	Non-Personal/Equipment (Redaction Services)	-	\$58,000	\$58,000	-	-	\$58,000
Police Department	Grants-Reimbursements-Fees	Personal Services/Revenue from Local Agencies (Santa Clara Valley Water District)	\$200,000	-	\$200,000	\$200,000	-	-
		Non-Personal/Equipment (Bulletproof Vest Partnership)	-	(\$47,105)	(\$47,105)	-	-	(\$47,105)
Police Department	Clean-Up Actions	Tech Adjust: Non-Personal/Equipment (Reallocation from Mobile Data Computer Replacements)	-	\$3,163,000	\$3,163,000	-	-	\$3,163,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	USE		SOURCE		NET COST		
	Personal Services	Non-Personal/Equipment	Total Use	Revenue	Beg Fund Balance		
DEPARTMENTAL EXPENSES							
	Salary and Benefits Program	\$1,124,863	-	\$1,124,863	-	-	\$1,124,863
	Voluntary Furlough/Reduced Work Week Program	(\$25,194)	-	(\$25,194)	-	-	(\$25,194)
Public Works Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Janitorial Services Contract)	-	\$835,000	\$835,000	-	-	\$835,000
	Personal Services (Vacancy Savings)	(\$250,000)	-	(\$250,000)	-	-	(\$250,000)
Public Works Department							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$3,762)	-	(\$3,762)	-	-	(\$3,762)
Transportation Department							
Required Technical-Rebalancing Actions	Personal Services (Vacancy Savings)	(\$500,000)	-	(\$500,000)	-	-	(\$500,000)
	Non-Personal/Equipment (Electrician Contractors)	-	\$500,000	\$500,000	-	-	\$500,000
Transportation Department							
Clean-Up Actions	Voluntary Furlough/Reduced Work Week Program	(\$17,752)	-	(\$17,752)	-	-	(\$17,752)
	DEPARTMENTAL EXPENSES TOTAL	\$1,300,305	\$2,062,738	\$3,363,043	\$470,567	-	\$2,892,476
CITY-WIDE EXPENSES							
Required Technical-Rebalancing Actions	Sanitary Sewer Fees	-	\$60,235	\$60,235	-	-	\$60,235
	Elections and Ballot Measures	-	\$294,040	\$294,040	-	-	\$294,040
	Storm Fees	-	(\$36,500)	(\$36,500)	-	-	(\$36,500)
	Insurance Premiums	-	\$13,700	\$13,700	-	-	\$13,700
	Police Officers' Professional Liability Insurance	-	\$1,300	\$1,300	-	-	\$1,300

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	USE		SOURCE		NET COST			
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance			
CITY-WIDE EXPENSES								
		Urban Areas Security Initiative Grant - Fire 2018/Revenue from the Federal Government (2018 UASI - HERS Training)	-	(\$16,395)	(\$16,395)	(\$51,561)	-	\$35,166
		Property Tax Administration Fee	-	\$110,000	\$110,000	-	-	\$110,000
		Banking Services/Other Revenue (Merchant Card Service Fee)	-	(\$312,000)	(\$312,000)	(\$415,000)	-	\$103,000
		Workers' Compensation Claims - Transportation	-	(\$375,000)	(\$375,000)	-	-	(\$375,000)
		Workers' Compensation Claims - Other Departments	-	\$250,000	\$250,000	-	-	\$250,000
		Workers' Compensation Claims - Public Works	-	(\$375,000)	(\$375,000)	-	-	(\$375,000)
		Bulletproof Vest Partnership 2018/Revenue from Federal Government	-	(\$1,390)	(\$1,390)	(\$72,547)	-	\$71,157
		Workers' Compensation Claims - Fire	-	\$500,000	\$500,000	-	-	\$500,000
Grants-Reimbursements-Fees		T-Mobile Macro Site Process Reimbursement/Other Revenue	-	\$250,000	\$250,000	\$250,000	-	-
		Library Grants/Revenue from State of California (First 5 Santa Clara County-Family, Friend, and Neighbor)	-	\$98,000	\$98,000	\$98,000	-	-
		Library Grants/Revenue from State of California (LSTA Wee Read)	-	\$20,000	\$20,000	\$20,000	-	-
		Sourcewise Grant for Recreation and Connectivity Project/Other Revenue	\$12,636	\$27,925	\$40,561	\$40,561	-	-
		Sidewalk Repairs/Other Revenue	-	\$100,000	\$100,000	\$100,000	-	-

General Fund
 Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES							
	CalVIP Trauma to Triumph at Regional Medical Center Grant/Revenue from State of California	-	\$157,585	\$157,585	\$157,585	-	-
	CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2020-2021/Revenue from State of California	-	\$91,000	\$91,000	\$91,000	-	-
	T-Mobile Macro Site Permitting/Other Revenue	-	\$750,000	\$750,000	\$750,000	-	-
	Bulletproof Vest Partnership 2020/Revenue from Federal Government	-	\$94,210	\$94,210	\$47,105	-	\$47,105
Clean-Up Actions	Tech Adjust: Mobile Data Computer Replacements (Reallocation to Police Department's Non-Personal/Equipment)	-	(\$3,163,000)	(\$3,163,000)	-	-	(\$3,163,000)
	CITY-WIDE EXPENSES TOTAL	\$12,636	(\$1,461,290)	(\$1,448,654)	\$1,015,143	-	(\$2,463,797)
CAPITAL PROJECT EXPENSES							
Grants-Reimbursements-Fees	Ice Centre Expansion Project/Transfers and Reimbursements	-	\$1,430,000	\$1,430,000	\$1,570,000	-	(\$140,000)
	CAPITAL PROJECT EXPENSES TOTAL	-	\$1,430,000	\$1,430,000	\$1,570,000	-	(\$140,000)
EARMARKED RESERVES							
Required Technical-Rebalancing Actions	Salaries and Benefits Reserve	-	(\$4,322,324)	(\$4,322,324)	-	-	(\$4,322,324)

General Fund
 Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		USE		SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance
EARMARKED RESERVES						
	Measure E - 45% Extremely Low Income Reserve	-	\$4,500,000	\$4,500,000	-	- \$4,500,000
	Measure E - 35% Low Income Reserve	-	\$3,500,000	\$3,500,000	-	- \$3,500,000
	Measure E - 10% Moderate Income Reserve	-	\$1,000,000	\$1,000,000	-	- \$1,000,000
	Google Parking Lots Option Payment Reserve/Other Revenue (ABC Parking Lots)	-	\$1,100,000	\$1,100,000	\$1,100,000	- -
	Measure E - 10% Homelessness Prevention Reserve	-	\$1,000,000	\$1,000,000	-	- \$1,000,000
Clean-Up Actions	Salaries and Benefits Reserve (Salary and Benefits Program)	-	(\$2,575,903)	(\$2,575,903)	-	- (\$2,575,903)
	Salaries and Benefits Reserve (Voluntary Furlough/Reduced Work Week Program)	-	\$144,661	\$144,661	-	- \$144,661
EARMARKED RESERVES TOTAL						
		-	\$4,346,434	\$4,346,434	\$1,100,000	- \$3,246,434
TRANSFERS						
Required Technical-Rebalancing Actions	Transfer to the Municipal Golf Course Fund	-	(\$1,000,000)	(\$1,000,000)	-	- (\$1,000,000)
TRANSFERS TOTAL						
		-	(\$1,000,000)	(\$1,000,000)	-	- (\$1,000,000)
REVENUE ADJUSTMENTS						
Required Technical-Rebalancing Actions	Transient Occupancy Tax	-	-	-	(\$3,500,000)	- \$3,500,000
	Revenue from Federal Government (UASI Grant Revenue 2020)	-	-	-	\$320,355	- (\$320,355)
	Real Property Transfer Tax (Measure E)	-	-	-	\$10,000,000	- (\$10,000,000)

General Fund
 Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	USE		SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
REVENUE ADJUSTMENTS						
Sales Tax	-	-	-	\$20,000,000	-	(\$20,000,000)
Property Tax	-	-	-	(\$9,000,000)	-	\$9,000,000
Fees, Rates, and Charges (Parks, Recreation and Neighborhood Services Fees)	-	-	-	(\$17,000,000)	-	\$17,000,000
Other Revenue (Sale of Fixed Wing Aircraft)	-	-	-	\$183,975	-	(\$183,975)
Transfers and Reimbursements (Transfer from Small Cell Permitting Fee Program Fund)	-	-	-	(\$707,632)	-	\$707,632
Transfers and Reimbursements (Construction and Conveyance Tax Funds for Operating and Maintenance Exp)	-	-	-	\$978,000	-	(\$978,000)
Revenue from Local Agencies (VTA Bus Shelter Revenue)	-	-	-	\$260,415	-	(\$260,415)
Transfers and Reimbursements (Transfer from the Self-Insured Medical Fund)	-	-	-	\$1,000,000	-	(\$1,000,000)
REVENUE ADJUSTMENTS TOTAL	-	-	-	\$2,535,113	-	(\$2,535,113)
TOTAL GENERAL FUND	\$1,312,941	\$5,377,882	\$6,690,823	\$6,690,823	-	-

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Airport Customer Facility And Transportation Fee Fund (519)								
Clean-Up and Rebudget Actions								
Airport Department								
Future Debt Service Reserve (General Fund Interest Income)	-	-	-	(\$2,580)	(\$2,580)	-	-	(\$2,580)
Transfer to the General Fund (Interest Income)	-	-	\$2,580	-	\$2,580	-	-	\$2,580
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$2,580	(\$2,580)	\$0	\$0	\$0	\$0
Budget Adjustments								
Airport Department								
Customer Facility Charge Fee Audit	-	-	\$13,850	-	\$13,850	-	-	\$13,850
Operations Contingency	-	-	(\$13,850)	-	(\$13,850)	-	-	(\$13,850)
Budget Adjustments Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Airport Customer Facility And Transportation Fee Fund (519) TOTAL	\$0	\$0	\$2,580	(\$2,580)	\$0	\$0	\$0	\$0
Airport Fiscal Agent Fund (525)								
Budget Adjustments								
Airport Department								
Transfer to Airport Revenue Fund (Investment Valuation Adjustment)	-	-	\$138,000	-	\$138,000	-	-	\$138,000
Debt Service Reserve (Investment Valuation Adjustment)	-	-	-	(\$138,000)	(\$138,000)	-	-	(\$138,000)
Transfers and Reimbursements (Debt Service Payment)	-	-	-	-	-	(\$6,999,705)	-	\$6,999,705
Debt Service Reserve (Debt Service Payment)	-	-	-	(\$6,999,705)	(\$6,999,705)	-	-	(\$6,999,705)
Budget Adjustments Total	\$0	\$0	\$138,000	(\$7,137,705)	(\$6,999,705)	(\$6,999,705)	\$0	\$0
Airport Fiscal Agent Fund (525) TOTAL	\$0	\$0	\$138,000	(\$7,137,705)	(\$6,999,705)	(\$6,999,705)	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Airport Maintenance And Operation Fund (523)									
Clean-Up and Rebudget Actions									
Airport Department	Salary and Benefits Program - Operations Contingency	-	-	(\$16,641)	-	(\$16,641)	-	-	(\$16,641)
Office of the City Attorney	Salary and Benefits Program	\$13,887	-	-	-	\$13,887	-	-	\$13,887
Information Technology Department	Salary and Benefits Program	\$636	-	-	-	\$636	-	-	\$636
Planning, Building and Code Enforcement Department	Salary and Benefits Program	\$2,118	-	-	-	\$2,118	-	-	\$2,118
Clean-Up and Rebudget Actions TOTAL		\$16,641	\$0	(\$16,641)	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
Airport Department	Operations Contingency	-	-	\$89,000	-	\$89,000	-	-	\$89,000
Finance Department	Banking Services (Merchant Card Service Fee)	-	-	(\$89,000)	-	(\$89,000)	-	-	(\$89,000)
Budget Adjustments Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Airport Maintenance And Operation Fund (523) TOTAL		\$16,641	\$0	(\$16,641)	\$0	\$0	\$0	\$0	\$0
Airport Revenue Fund (521)									
Clean-Up and Rebudget Actions									
Airport Department	Airline Agreement Reserve (General Fund Interest Income)	-	-	-	(\$35,766)	(\$35,766)	-	-	(\$35,766)

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transfer to the General Fund (Interest Income)	-	-	\$35,766	-	\$35,766	-	-	\$35,766
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$35,766	(\$35,766)	\$0	\$0	\$0	\$0
Budget Adjustments								
Airport Department								
Transfers and Reimbursements - Transfer from Airport Fiscal Agent Fund (Investment Valuation Adjustment)	-	-	-	-	-	\$138,000	-	(\$138,000)
Airline Agreement Reserve Transfer to Airport Fiscal Agent Fund (Debt Service Payment)	-	-	-	(\$1,050,295)	(\$1,050,295)	-	-	(\$1,050,295)
	-	-	\$1,188,295	-	\$1,188,295	-	-	\$1,188,295
Budget Adjustments Total	\$0	\$0	\$1,188,295	(\$1,050,295)	\$138,000	\$138,000	\$0	\$0
Airport Revenue Fund (521) TOTAL	\$0	\$0	\$1,224,061	(\$1,086,061)	\$138,000	\$138,000	\$0	\$0
Airport Surplus Revenue Fund (524)								
Clean-Up and Rebudget Actions								
Airport Department								
Airline Agreement Reserve (General Fund Interest Income)	-	-	-	(\$769)	(\$769)	-	-	(\$769)
Transfer to the General Fund (Interest Income)	-	-	\$769	-	\$769	-	-	\$769
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$769	(\$769)	\$0	\$0	\$0	\$0
Airport Surplus Revenue Fund (524) TOTAL	\$0	\$0	\$769	(\$769)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Benefits Funds - Benefit Fund (160)								
Clean-Up and Rebudget Actions								
Human Resources Department								
Salary and Benefits Program	\$17,745	-	-	-	\$17,745	-	-	\$17,745
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$17,745)	(\$17,745)	-	-	(\$17,745)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$11,468	\$11,468	-	-	\$11,468
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$11,468)	-	(\$11,468)	-	-	(\$11,468)
Transfer to the General Fund (Interest Income)	-	-	\$197	-	\$197	-	-	\$197
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$197)	(\$197)	-	-	(\$197)
Clean-Up and Rebudget Actions TOTAL	\$17,745	\$0	(\$11,271)	(\$6,474)	\$0	\$0	\$0	\$0
Budget Adjustments								
Human Resources Department								
Employee Benefit Payout (Health Plan Premium Credit)	-	-	\$140,000	-	\$140,000	-	-	\$140,000
Transfers and Reimbursements (Transfer from Employee Health Fund)	-	-	-	-	-	\$40,000	-	(\$40,000)
Other Revenue (Anthem Blue Cross Credit)	-	-	-	-	-	\$100,000	-	(\$100,000)
Budget Adjustments Total	\$0	\$0	\$140,000	\$0	\$140,000	\$140,000	\$0	\$0
Benefits Funds - Benefit Fund (160) TOTAL	\$17,745	\$0	\$128,729	(\$6,474)	\$140,000	\$140,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Benefits Funds - Dental Insurance Fund (155)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Salary and Benefits Program	\$3,395	-	-	-	\$3,395	-	-	\$3,395
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$3,395)	(\$3,395)	-	-	(\$3,395)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$2,493	\$2,493	-	-	\$2,493
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$2,493)	-	(\$2,493)	-	-	(\$2,493)
	Fund Balance Reconciliation	-	-	-	\$1	\$1	-	\$1	-
	Transfer to the General Fund (Interest Income)	-	-	\$1,875	-	\$1,875	-	-	\$1,875
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,875)	(\$1,875)	-	-	(\$1,875)
	Clean-Up and Rebudget Actions TOTAL	\$3,395	\$0	(\$618)	(\$2,776)	\$1	\$0	\$1	\$0
Budget Adjustments									
Human Resources									
Department	Personal Services (Overage)	\$9,600	-	-	-	\$9,600	-	-	\$9,600
	Ending Fund Balance Adjustment	-	-	-	(\$9,600)	(\$9,600)	-	-	(\$9,600)
	Budget Adjustments Total	\$9,600	\$0	\$0	(\$9,600)	\$0	\$0	\$0	\$0
	Benefits Funds - Dental Insurance Fund (155) TOTAL	\$12,995	\$0	(\$618)	(\$12,376)	\$1	\$0	\$1	\$0
Benefits Funds - Life Insurance Fund (156)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Salary and Benefits Program	\$1,579	-	-	-	\$1,579	-	-	\$1,579

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$1,579)	(\$1,579)	-	-	(\$1,579)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$1,563	\$1,563	-	-	\$1,563
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$1,563)	-	(\$1,563)	-	-	(\$1,563)
Transfer to the General Fund (Interest Income)	-	-	\$160	-	\$160	-	-	\$160
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$160)	(\$160)	-	-	(\$160)
Clean-Up and Rebudget Actions TOTAL	\$1,579	\$0	(\$1,403)	(\$176)	\$0	\$0	\$0	\$0
Benefits Funds - Life Insurance Fund (156) TOTAL	\$1,579	\$0	(\$1,403)	(\$176)	\$0	\$0	\$0	\$0
Benefits Funds - Self-Insured Medical Fund (158)								
Clean-Up and Rebudget Actions								
Human Resources Department	Transfer to the General Fund (Interest Income)							
	-	-	\$788	-	\$788	-	-	\$788
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$788)	(\$788)	-	-	(\$788)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$788	(\$788)	\$0	\$0	\$0	\$0
Budget Adjustments								
Human Resources Department	Transfer to the General Fund (Close Out of Self-Insured Medical Fund)							
	-	-	\$1,000,000	-	\$1,000,000	-	-	\$1,000,000

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance Adjustment	-	-	-	(\$350,000)	(\$350,000)	-	-	(\$350,000)
Transfers and Reimbursements (City Funds)	-	-	-	-	-	\$50,000	-	(\$50,000)
Payment of Claims	-	-	(\$600,000)	-	(\$600,000)	-	-	(\$600,000)
Budget Adjustments Total	\$0	\$0	\$400,000	(\$350,000)	\$50,000	\$50,000	\$0	\$0
Benefits Funds - Self-Insured Medical Fund (158) TOTAL	\$0	\$0	\$400,788	(\$350,788)	\$50,000	\$50,000	\$0	\$0
Benefits Funds - Unemployment Insurance Fund (157)								
Clean-Up and Rebudget Actions								
Human Resources								
Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$1,454	\$1,454	-	-	\$1,454
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$1,454)	-	(\$1,454)	-	-	(\$1,454)
Transfer to the General Fund (Interest Income)	-	-	\$349	-	\$349	-	-	\$349
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$349)	(\$349)	-	-	(\$349)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$1,105)	\$1,105	\$0	\$0	\$0	\$0
Budget Adjustments								
Human Resources								
Department								
Personal Services (Overage)	\$6,000	-	-	-	\$6,000	-	-	\$6,000
Ending Fund Balance Adjustment	-	-	-	(\$6,000)	(\$6,000)	-	-	(\$6,000)
Budget Adjustments Total	\$6,000	\$0	\$0	(\$6,000)	\$0	\$0	\$0	\$0
Benefits Funds - Unemployment Insurance Fund (157) TOTAL	\$6,000	\$0	(\$1,105)	(\$4,895)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Building Development Fee Program Fund (237)									
Clean-Up and Rebudget Actions									
Information									
Technology									
Department	Salary and Benefits Program	\$4,919	-	-	-	\$4,919	-	-	\$4,919
Planning, Building and Code Enforcement Department									
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$256,960	\$256,960	-	-	\$256,960
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$256,960)	-	(\$256,960)	-	-	(\$256,960)
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$4,919)	(\$4,919)	-	-	(\$4,919)
Clean-Up and Rebudget Actions TOTAL		\$4,919	\$0	(\$256,960)	\$252,041	\$0	\$0	\$0	\$0
Building Development Fee Program Fund (237) TOTAL		\$4,919	\$0	(\$256,960)	\$252,041	\$0	\$0	\$0	\$0
City Hall Debt Service Fund (210)									
Clean-Up and Rebudget Actions									
Finance Department	Transfer to the General Fund (Interest Income)	-	-	\$2,936	-	\$2,936	-	-	\$2,936
Ending Fund Balance Adjustment (General Fund Interest Income)		-	-	-	(\$2,936)	(\$2,936)	-	-	(\$2,936)
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$2,936	(\$2,936)	\$0	\$0	\$0	\$0
City Hall Debt Service Fund (210) TOTAL		\$0	\$0	\$2,936	(\$2,936)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Citywide Planning Fee Program Fund (239)								
Clean-Up and Rebudget Actions								
Planning, Building and Code Enforcement Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$23,864	\$23,864	-	-	\$23,864
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$23,864)	-	(\$23,864)	-	-	(\$23,864)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$23,864)	\$23,864	\$0	\$0	\$0	\$0
Budget Adjustments								
Planning, Building and Code Enforcement Department								
Citywide Planning Fee - Personal Services	(\$250,000)	-	-	-	(\$250,000)	-	-	(\$250,000)
Ending Fund Balance Adjustment	-	-	-	\$250,000	\$250,000	-	-	\$250,000
Budget Adjustments Total	(\$250,000)	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
Citywide Planning Fee Program Fund (239) TOTAL	(\$250,000)	\$0	(\$23,864)	\$273,864	\$0	\$0	\$0	\$0
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)								
Clean-Up and Rebudget Actions								
Transportation Department								
Transfer to the General Fund (Interest Income)	-	-	\$160	-	\$160	-	-	\$160
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$160)	(\$160)	-	-	(\$160)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$160	(\$160)	\$0	\$0	\$0	\$0
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371) TOTAL	\$0	\$0	\$160	(\$160)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)								
Clean-Up and Rebudget Actions								
Transportation Department								
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$317)	-	(\$317)	-	-	(\$317)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$317	\$317	-	-	\$317
Transfer to the General Fund (Interest Income)	-	-	\$467	-	\$467	-	-	\$467
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$467)	(\$467)	-	-	(\$467)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$150	(\$150)	\$0	\$0	\$0	\$0
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369) TOTAL	\$0	\$0	\$150	(\$150)	\$0	\$0	\$0	\$0
Community Facilities District No. 8 (Communications Hill) Fund (373)								
Clean-Up and Rebudget Actions								
Transportation Department								
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$321)	-	(\$321)	-	-	(\$321)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$321	\$321	-	-	\$321
Transfer to the General Fund (Interest Income)	-	-	\$310	-	\$310	-	-	\$310
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$310)	(\$310)	-	-	(\$310)

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions									
TOTAL		\$0	\$0	(\$11)	\$11	\$0	\$0	\$0	\$0
Community Facilities District No. 8 (Communications Hill) Fund (373) TOTAL		\$0	\$0	(\$11)	\$11	\$0	\$0	\$0	\$0
Community Facilities District No. 12 (Basking Ridge) Fund (376)									
Clean-Up and Rebudget Actions									
Transportation Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$254)	-	(\$254)	-	-	(\$254)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$254	\$254	-	-	\$254
	Transfer to the General Fund (Interest Income)	-	-	\$235	-	\$235	-	-	\$235
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$235)	(\$235)	-	-	(\$235)
Clean-Up and Rebudget Actions									
TOTAL		\$0	\$0	(\$19)	\$19	\$0	\$0	\$0	\$0
Community Facilities District No. 12 (Basking Ridge) Fund (376) TOTAL		\$0	\$0	(\$19)	\$19	\$0	\$0	\$0	\$0
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)									
Clean-Up and Rebudget Actions									
Transportation Department	Transfer to the General Fund (Interest Income)	-	-	\$122	-	\$122	-	-	\$122
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$122)	(\$122)	-	-	(\$122)

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions									
TOTAL		\$0	\$0	\$122	(\$122)	\$0	\$0	\$0	\$0
Community Facilities District No. 13 (Guadalupe Mines) Fund (310) TOTAL		\$0	\$0	\$122	(\$122)	\$0	\$0	\$0	\$0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)									
Clean-Up and Rebudget Actions									
Transportation Department	Transfer to the General Fund (Interest Income)	-	-	\$247	-	\$247	-	-	\$247
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$247)	(\$247)	-	-	(\$247)
Clean-Up and Rebudget Actions									
TOTAL		\$0	\$0	\$247	(\$247)	\$0	\$0	\$0	\$0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379) TOTAL		\$0	\$0	\$247	(\$247)	\$0	\$0	\$0	\$0
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)									
Clean-Up and Rebudget Actions									
Transportation Department	Transfer to the General Fund (Interest Income)	-	-	\$185	-	\$185	-	-	\$185
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$185)	(\$185)	-	-	(\$185)
Clean-Up and Rebudget Actions									
TOTAL		\$0	\$0	\$185	(\$185)	\$0	\$0	\$0	\$0
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370) TOTAL		\$0	\$0	\$185	(\$185)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)									
Clean-Up and Rebudget Actions									
Transportation Department	Transfer to the General Fund (Interest Income)	-	-	\$226	-	\$226	-	-	\$226
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$226)	(\$226)	-	-	(\$226)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$226	(\$226)	\$0	\$0	\$0	\$0
	Community Facilities District No. 16 (Raleigh-Coronado) Fund (344) TOTAL	\$0	\$0	\$226	(\$226)	\$0	\$0	\$0	\$0
Community Facilities Revenue Fund (422)									
Clean-Up and Rebudget Actions									
Finance Department	Transfer to the General Fund (Interest Income)	-	-	\$1,070	-	\$1,070	-	-	\$1,070
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,070)	(\$1,070)	-	-	(\$1,070)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$1,070	(\$1,070)	\$0	\$0	\$0	\$0
	Community Facilities Revenue Fund (422) TOTAL	\$0	\$0	\$1,070	(\$1,070)	\$0	\$0	\$0	\$0
Convention and Cultural Affairs Fund (536)									
Clean-Up and Rebudget Actions									
City Manager - Office of Economic Development	Transfer to the General Fund (Interest Income)	-	-	\$1,557	-	\$1,557	-	-	\$1,557

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,557)	(\$1,557)	-	-	(\$1,557)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$1,557	(\$1,557)	\$0	\$0	\$0	\$0
Budget Adjustments								
City Manager - Office of Economic Development								
Transfers and Reimbursements (Transfer from the Transient Occupancy Tax Fund)	-	-	-	-	-	(\$2,350,000)	-	\$2,350,000
Transfers and Reimbursements (Transfer from the Convention and Cultural Affairs Capital Fund)	-	-	-	-	-	\$2,335,000	-	(\$2,335,000)
Convention Facilities Operations Team San Jose Management Fee (Incentive Fee)	-	-	\$1,760,000	-	\$1,760,000	-	-	\$1,760,000
	-	-	(\$250,000)	-	(\$250,000)	-	-	(\$250,000)
Finance Department								
Ending Fund Balance Adjustment	-	-	-	(\$1,549,500)	(\$1,549,500)	-	-	(\$1,549,500)
Public Works Department								
Insurance Expenses	-	-	\$4,500	-	\$4,500	-	-	\$4,500
City Facilities Safety Assessment	-	-	\$20,000	-	\$20,000	-	-	\$20,000
Budget Adjustments Total	\$0	\$0	\$1,534,500	(\$1,549,500)	(\$15,000)	(\$15,000)	\$0	\$0
Convention and Cultural Affairs Fund (536) TOTAL	\$0	\$0	\$1,536,057	(\$1,551,057)	(\$15,000)	(\$15,000)	\$0	\$0
Convention Center Facilities District Revenue Fund (791)								
Budget Adjustments								
Finance Department								
Convention Center Facilities District Special Tax	-	-	-	-	-	(\$3,500,000)	-	\$3,500,000

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transfers and Reimbursements (Transfer from the Convention Center Facility District Capital Fund)	-	-	-	-	-	\$1,700,000	-	(\$1,700,000)
South Hall Site Acquisition Debt Service	-	-	(\$746,000)	-	(\$746,000)	-	-	(\$746,000)
Debt Service: Exhibit Hall Commercial Paper	-	-	(\$2,319,000)	-	(\$2,319,000)	-	-	(\$2,319,000)
Ending Fund Balance Adjustment	-	-	-	\$1,265,000	\$1,265,000	-	-	\$1,265,000
Budget Adjustments Total	\$0	\$0	(\$3,065,000)	\$1,265,000	(\$1,800,000)	(\$1,800,000)	\$0	\$0
Convention Center Facilities District Revenue Fund (791) TOTAL	\$0	\$0	(\$3,065,000)	\$1,265,000	(\$1,800,000)	(\$1,800,000)	\$0	\$0
Coronavirus Relief Fund (401)								
Clean-Up and Rebudget Actions								
Finance Department Fund Balance Reconciliation (COVID-19 Emergency Response Reserve)	-	-	-	-	-	-	(\$89,045,248)	\$89,045,248
Fund Balance Reconciliation (Unrestricted Beginning Fund Balance)	-	-	-	-	-	-	(\$18,267,403)	\$18,267,403
Rebudget: Revenue from Federal Government (CARES Act)	-	-	-	-	-	\$107,312,651	-	(\$107,312,651)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$0	\$0	\$107,312,651	(\$107,312,651)	\$0
Coronavirus Relief Fund (401) TOTAL	\$0	\$0	\$0	\$0	\$0	\$107,312,651	(\$107,312,651)	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Downtown Property And Business Improvement District Fund (302)									
Clean-Up and Rebudget Actions									
Transportation Department	Transfer to the General Fund (Interest Income)	-	-	\$265	-	\$265	-	-	\$265
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$265)	(\$265)	-	-	(\$265)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$265	(\$265)	\$0	\$0	\$0	\$0
	Downtown Property And Business Improvement District Fund (302) TOTAL	\$0	\$0	\$265	(\$265)	\$0	\$0	\$0	\$0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)									
Budget Adjustments									
Police Department	2020 Justice Assistance Grant/Revenue from Federal Government	-	-	\$290,569	-	\$290,569	\$290,569	-	-
	Budget Adjustments Total	\$0	\$0	\$290,569	\$0	\$290,569	\$290,569	\$0	\$0
	Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) TOTAL	\$0	\$0	\$290,569	\$0	\$290,569	\$290,569	\$0	\$0
Emergency Reserve Fund (406)									
Clean-Up and Rebudget Actions									
Finance Department	Transfer to the General Fund (Interest Income)	-	-	\$2,213	-	\$2,213	-	-	\$2,213
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$2,213)	(\$2,213)	-	-	(\$2,213)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$2,213	(\$2,213)	\$0	\$0	\$0	\$0
	Emergency Reserve Fund (406) TOTAL	\$0	\$0	\$2,213	(\$2,213)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Fire Development Fee Program Fund (240)								
Clean-Up and Rebudget Actions								
Fire Department								
Tech Adjust: Fire Development Fee Program - Personal Services (Temporary Staffing)	-	-	-	-	-	-	-	-
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$1,091)	(\$1,091)	-	-	(\$1,091)
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$27,974)	-	(\$27,974)	-	-	(\$27,974)
Tech Adjust: Ending Fund Balance or Reserve (Debt Refunding Activities)	-	-	-	\$27,974	\$27,974	-	-	\$27,974
Information Technology Department	\$1,091	-	-	-	\$1,091	-	-	\$1,091
Clean-Up and Rebudget Actions								
TOTAL	\$1,091	\$0	(\$27,974)	\$26,883	\$0	\$0	\$0	\$0
Budget Adjustments								
Fire Department								
Fire Development Fee Program - Non-Personal/Equipment (Vehicle Replacement)	-	\$92,000	-	-	\$92,000	-	-	\$92,000
Fire Development Fee Program - Non-Personal/Equipment (Fire) (Vehicle Modifications)	-	\$64,000	-	-	\$64,000	-	-	\$64,000
Ending Fund Balance Adjustment	-	-	-	(\$156,000)	(\$156,000)	-	-	(\$156,000)
Budget Adjustments Total	\$0	\$156,000	\$0	(\$156,000)	\$0	\$0	\$0	\$0
Fire Development Fee Program Fund (240) TOTAL	\$1,091	\$156,000	(\$27,974)	(\$129,117)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
General Purpose Parking Fund (533)									
Clean-Up and Rebudget Actions									
Transportation Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$19,621)	-	(\$19,621)	-	-	(\$19,621)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$19,621	\$19,621	-	-	\$19,621
	Transfer to the General Fund (Interest Income)	-	-	\$1,314	-	\$1,314	-	-	\$1,314
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,314)	(\$1,314)	-	-	(\$1,314)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$18,307)	\$18,307	\$0	\$0	\$0	\$0
Budget Adjustments									
Transportation Department	Transfers and Reimbursements (Transfer from General Purpose Parking Capital Fund)	-	-	-	-	-	\$2,700,000	-	(\$2,700,000)
	Fees, Rates, and Charges (Parking Fees)	-	-	-	-	-	(\$2,700,000)	-	\$2,700,000
	Budget Adjustments Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	General Purpose Parking Fund (533) TOTAL	\$0	\$0	(\$18,307)	\$18,307	\$0	\$0	\$0	\$0
Gift Trust Fund (139)									
Clean-Up and Rebudget Actions									
City Manager - Office of Economic Development	Rebudget: Dando Artwork Maintenance/Other Revenue	-	-	\$25,000	-	\$25,000	\$25,000	-	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$25,000	\$0	\$25,000	\$25,000	\$0	\$0
	Gift Trust Fund (139) TOTAL	\$0	\$0	\$25,000	\$0	\$25,000	\$25,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Home Investment Partnership Program Trust Fund (445)									
Clean-Up and Rebudget Actions									
Housing									
Department	Fund Balance Reconciliation	-	-	-	\$636,840	\$636,840	-	\$636,840	-
	Transfer to the General Fund (Interest Income)	-	-	\$2,294	-	\$2,294	-	-	\$2,294
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$2,294)	(\$2,294)	-	-	(\$2,294)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$2,294	\$634,546	\$636,840	\$0	\$636,840	\$0
Budget Adjustments									
Housing									
Department	Ending Fund Balance Adjustment	-	-	-	(\$135,000)	(\$135,000)	-	-	(\$135,000)
	Fair Housing	-	-	\$135,000	-	\$135,000	-	-	\$135,000
	Budget Adjustments Total	\$0	\$0	\$135,000	(\$135,000)	\$0	\$0	\$0	\$0
	Home Investment Partnership Program Trust Fund (445) TOTAL	\$0	\$0	\$137,294	\$499,546	\$636,840	\$0	\$636,840	\$0
Housing Trust Fund (440)									
Clean-Up and Rebudget Actions									
Housing									
Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$5,744)	-	(\$5,744)	-	-	(\$5,744)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$5,744	\$5,744	-	-	\$5,744
	Transfer to the General Fund (Interest Income)	-	-	\$1,123	-	\$1,123	-	-	\$1,123

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,123)	(\$1,123)	-	-	(\$1,123)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$4,621)	\$4,621	\$0	\$0	\$0	\$0
Budget Adjustments								
Housing Department								
Ending Fund Balance/Revenue from the Use of Money/Property (Casa de Novo Loan Repayment)	-	-	-	\$1,765,000	\$1,765,000	\$1,765,000	-	-
Budget Adjustments Total Housing Trust Fund (440) TOTAL	\$0	\$0	\$0	\$1,765,000	\$1,765,000	\$1,765,000	\$0	\$0
Ice Centre Revenue Fund (432)								
Clean-Up and Rebudget Actions								
Office of the City Manager								
Transfer to the General Fund (Interest Income)	-	-	\$323	-	\$323	-	-	\$323
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$323)	(\$323)	-	-	(\$323)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$323	(\$323)	\$0	\$0	\$0	\$0
Budget Adjustments								
Finance Department								
Refunding of Previous Base Rent Payments	-	-	\$49,973	-	\$49,973	-	-	\$49,973
Ending Fund Balance Adjustment	-	-	-	\$58,477,527	\$58,477,527	-	-	\$58,477,527
Capital Rehabilitation Reserve	-	-	-	(\$97,500)	(\$97,500)	-	-	(\$97,500)
Ice Centre Expansion Project/Financing Proceeds	-	-	\$60,000,000	-	\$60,000,000	\$120,000,000	-	(\$60,000,000)
Transfer to the General Fund (Ice Centre Expansion Project)	-	-	\$1,570,000	-	\$1,570,000	-	-	\$1,570,000
Budget Adjustments Total Ice Centre Revenue Fund (432) TOTAL	\$0	\$0	\$61,619,973	\$58,380,027	\$120,000,000	\$120,000,000	\$0	\$0
Ice Centre Revenue Fund (432) TOTAL	\$0	\$0	\$61,620,296	\$58,379,704	\$120,000,000	\$120,000,000	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Inclusionary Fee Fund (451)									
Clean-Up and Rebudget Actions									
Housing									
Department	Fund Balance Reconciliation	-	-	-	(\$130,000)	(\$130,000)	-	(\$130,000)	-
	Transfer to the General Fund (Interest Income)	-	-	\$7,822	-	\$7,822	-	-	\$7,822
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$7,822)	(\$7,822)	-	-	(\$7,822)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$7,822	(\$137,822)	(\$130,000)	\$0	(\$130,000)	\$0
	Inclusionary Fee Fund (451) TOTAL	\$0	\$0	\$7,822	(\$137,822)	(\$130,000)	\$0	(\$130,000)	\$0
Integrated Waste Management Fund (423)									
Clean-Up and Rebudget Actions									
Environmental									
Services Department	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$130,796	\$130,796	-	-	\$130,796
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$130,796)	-	(\$130,796)	-	-	(\$130,796)
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$2,318)	(\$2,318)	-	-	(\$2,318)
	Transfer to the General Fund (Interest Income)	-	-	\$11,910	-	\$11,910	-	-	\$11,910
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$11,910)	(\$11,910)	-	-	(\$11,910)

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Planning, Building and Code Enforcement Department	Salary and Benefits Program	\$2,318	-	-	-	\$2,318	-	-	\$2,318
	Clean-Up and Rebudget Actions TOTAL	\$2,318	\$0	(\$118,886)	\$116,568	\$0	\$0	\$0	\$0
Budget Adjustments									
Environmental Services Department	Workers' Compensation Claims	-	-	\$50,000	-	\$50,000	-	-	\$50,000
Finance Department	Ending Fund Balance Adjustment	-	-	-	(\$54,000)	(\$54,000)	-	-	(\$54,000)
	Banking Services (Merchant Card Service Fee)	-	-	\$4,000	-	\$4,000	-	-	\$4,000
	Budget Adjustments Total	\$0	\$0	\$54,000	(\$54,000)	\$0	\$0	\$0	\$0
	Integrated Waste Management Fund (423) TOTAL	\$2,318	\$0	(\$64,886)	\$62,568	\$0	\$0	\$0	\$0
Library Parcel Tax Fund (418)									
Clean-Up and Rebudget Actions									
Library Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$10,235)	-	(\$10,235)	-	-	(\$10,235)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$10,235	\$10,235	-	-	\$10,235
	Transfer to the General Fund (Interest Income)	-	-	\$1,495	-	\$1,495	-	-	\$1,495
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,495)	(\$1,495)	-	-	(\$1,495)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$8,740)	\$8,740	\$0	\$0	\$0	\$0
	Library Parcel Tax Fund (418) TOTAL	\$0	\$0	(\$8,740)	\$8,740	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Low And Moderate Income Housing Asset Fund (346)									
Clean-Up and Rebudget Actions									
Housing Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$76,081)	-	(\$76,081)	-	-	(\$76,081)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$76,081	\$76,081	-	-	\$76,081
	Transfer to the General Fund (Interest Income)	-	-	\$53,789	-	\$53,789	-	-	\$53,789
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$53,789)	(\$53,789)	-	-	(\$53,789)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$22,292)	\$22,292	\$0	\$0	\$0	\$0
Budget Adjustments									
Housing Department	Loan Management (Best Western - Sure Stay Hotel)	-	-	\$1,000,000	-	\$1,000,000	-	-	\$1,000,000
	Ending Fund Balance Adjustment	-	-	-	(\$1,000,000)	(\$1,000,000)	-	-	(\$1,000,000)
	Budget Adjustments Total	\$0	\$0	\$1,000,000	(\$1,000,000)	\$0	\$0	\$0	\$0
	Low And Moderate Income Housing Asset Fund (346) TOTAL	\$0	\$0	\$977,708	(\$977,708)	\$0	\$0	\$0	\$0

Maintenance District No. 15 (Silver Creek Valley) Fund (368)

Clean-Up and Rebudget Actions

Transportation Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$1,132)	-	(\$1,132)	-	-	(\$1,132)
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Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$1,132	\$1,132	-	-	\$1,132
Transfer to the General Fund (Interest Income)	-	-	\$141	-	\$141	-	-	\$141
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$141)	(\$141)	-	-	(\$141)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$991)	\$991	\$0	\$0	\$0	\$0
Maintenance District No. 15 (Silver Creek Valley) Fund (368) TOTAL	\$0	\$0	(\$991)	\$991	\$0	\$0	\$0	\$0
Multi-Source Housing Fund (448)								
Clean-Up and Rebudget Actions								
Housing Department Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	\$1,668	-	\$1,668	-	-	\$1,668
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	(\$1,668)	(\$1,668)	-	-	(\$1,668)
Transfer to the General Fund (Interest Income)	-	-	\$21,736	-	\$21,736	-	-	\$21,736
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$21,736)	(\$21,736)	-	-	(\$21,736)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$23,404	(\$23,404)	\$0	\$0	\$0	\$0
Budget Adjustments								
Housing Department Crisis Response Interventions/Revenue from the Use of Money/Property (Interest Earnings)	-	-	\$275,000	-	\$275,000	\$85,000	-	\$190,000

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance/Revenue from the Use of Money/Property (Casa de Novo Loan Repayment)	-	-	-	\$6,885,000	\$6,885,000	\$6,885,000	-	-
Transfer to the Multi-Source Housing Fund/Transfers and Reimbursements (Transfer from Multi-Source Housing Fund to the Homeless Emergency Aid Program Fund)	-	-	\$43,000	-	\$43,000	\$43,000	-	-
Ending Fund Balance Adjustment	-	-	-	(\$190,000)	(\$190,000)	-	-	(\$190,000)
Budget Adjustments Total	\$0	\$0	\$318,000	\$6,695,000	\$7,013,000	\$7,013,000	\$0	\$0
Multi-Source Housing Fund (448) TOTAL	\$0	\$0	\$341,404	\$6,671,596	\$7,013,000	\$7,013,000	\$0	\$0
Municipal Golf Course Fund (518)								
Clean-Up and Rebudget Actions								
Parks, Recreation and Neighborhood Services Department								
Transfer to the General Fund (Interest Income)	-	-	\$389	-	\$389	-	-	\$389
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$389)	(\$389)	-	-	(\$389)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$389	(\$389)	\$0	\$0	\$0	\$0
Budget Adjustments								
Parks, Recreation and Neighborhood Services Department								
Transfers and Reimbursements (Transfer from the General Fund)	-	-	-	-	-	(\$1,000,000)	-	\$1,000,000
Ending Fund Balance Adjustment	-	-	-	(\$600,000)	(\$600,000)	-	-	(\$600,000)

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Revenue from the Use of Money/Property	-	-	-	-	-	\$400,000	-	(\$400,000)	
Budget Adjustments Total	\$0	\$0	\$0	(\$600,000)	(\$600,000)	(\$600,000)	\$0	\$0	
Municipal Golf Course Fund (518) TOTAL	\$0	\$0	\$389	(\$600,389)	(\$600,000)	(\$600,000)	\$0	\$0	
Planning Development Fee Program Fund (238)									
Clean-Up and Rebudget Actions									
Information Technology Department	Salary and Benefits Program	\$967	-	-	-	\$967	-	-	\$967
Enforcement Department	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$64,522	\$64,522	-	-	\$64,522
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$64,522)	-	(\$64,522)	-	-	(\$64,522)
	Salary and Benefits Program	\$49,063	-	-	-	\$49,063	-	-	\$49,063
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$50,030)	(\$50,030)	-	-	(\$50,030)
	Clean-Up and Rebudget Actions TOTAL	\$50,030	\$0	(\$64,522)	\$14,492	\$0	\$0	\$0	
Budget Adjustments									
Planning, Building and Code Enforcement Department	Planning Development Fee Program - Personal Services (PBCE) (Overage)/Fees, Rates, and Charges	\$750,000	-	-	-	\$750,000	\$500,000	-	\$250,000
	Ending Fund Balance Adjustment	-	-	-	(\$250,000)	(\$250,000)	-	-	(\$250,000)
	Budget Adjustments Total	\$750,000	\$0	\$0	(\$250,000)	\$500,000	\$500,000	\$0	\$0
	Planning Development Fee Program Fund (238) TOTAL	\$800,030	\$0	(\$64,522)	(\$235,508)	\$500,000	\$500,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Public Works Development Fee Program Fund (241)									
Clean-Up and Rebudget Actions									
Information Technology Department	Salary and Benefits Program	\$907	-	-	-	\$907	-	-	\$907
Planning, Building and Code Enforcement Department	Salary and Benefits Program	\$4,141	-	-	-	\$4,141	-	-	\$4,141
Public Works Department	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$21,756	\$21,756	-	-	\$21,756
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$21,756)	-	(\$21,756)	-	-	(\$21,756)
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$5,048)	(\$5,048)	-	-	(\$5,048)
Clean-Up and Rebudget Actions TOTAL		\$5,048	\$0	(\$21,756)	\$16,708	\$0	\$0	\$0	\$0
Public Works Development Fee Program Fund (241) TOTAL		\$5,048	\$0	(\$21,756)	\$16,708	\$0	\$0	\$0	\$0
Public Works Program Support Fund (150)									
Clean-Up and Rebudget Actions									
Finance Department	Salary and Benefits Program	\$1,332	-	-	-	\$1,332	-	-	\$1,332
Human Resources Department	Salary and Benefits Program	\$4,237	-	-	-	\$4,237	-	-	\$4,237
Information Technology Department	Salary and Benefits Program	\$1,980	-	-	-	\$1,980	-	-	\$1,980
Public Works Department	Salary and Benefits Program	\$109,180	-	-	-	\$109,180	-	-	\$109,180

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Salary and Benefits Program - Compensated Time Off	-	-	(\$109,180)	-	(\$109,180)	-	-	(\$109,180)
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$7,549)	(\$7,549)	-	-	(\$7,549)
Transfer to the General Fund (Interest Income)	-	-	\$1,135	-	\$1,135	-	-	\$1,135
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,135)	(\$1,135)	-	-	(\$1,135)
Clean-Up and Rebudget Actions TOTAL	\$116,729	\$0	(\$108,045)	(\$8,684)	\$0	\$0	\$0	\$0
Budget Adjustments								
Human Resources Department								
Personal Services (Overage)	\$12,000	-	-	-	\$12,000	-	-	\$12,000
Public Works Department								
Ending Fund Balance Adjustment	-	-	-	(\$12,000)	(\$12,000)	-	-	(\$12,000)
Budget Adjustments Total	\$12,000	\$0	\$0	(\$12,000)	\$0	\$0	\$0	\$0
Public Works Program Support Fund (150) TOTAL	\$128,729	\$0	(\$108,045)	(\$20,684)	\$0	\$0	\$0	\$0
Public Works Small Cell Permitting Fee Program Fund (242)								
Clean-Up and Rebudget Actions								
Public Works Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$5,783	\$5,783	-	-	\$5,783
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$5,783)	-	(\$5,783)	-	-	(\$5,783)
Salary and Benefits Program	\$42,600	-	-	-	\$42,600	-	-	\$42,600
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$42,600)	(\$42,600)	-	-	(\$42,600)
Clean-Up and Rebudget Actions TOTAL	\$42,600	\$0	(\$5,783)	(\$36,817)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments									
Public Works									
Department									
	Public Works Small Cell Permitting - Non-Personal/Equipment/Fees, Rates, and Charges	-	\$50,000	-	-	\$50,000	\$50,000	-	-
	Transfer to the General Fund / Fees, Rates, and Charges (Small Cell Permitting Fees)	-	-	(\$707,632)	-	(\$707,632)	(\$707,632)	-	-
	Budget Adjustments Total	\$0	\$50,000	(\$707,632)	\$0	(\$657,632)	(\$657,632)	\$0	\$0
	Public Works Small Cell Permitting Fee Program Fund (242) TOTAL	\$42,600	\$50,000	(\$713,415)	(\$36,817)	(\$657,632)	(\$657,632)	\$0	\$0
Rental Stabilization Program Fee Fund (450)									
Clean-Up and Rebudget Actions									
Housing Department									
	Transfer to the General Fund (Interest Income)	-	-	\$503	-	\$503	-	-	\$503
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$503)	(\$503)	-	-	(\$503)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$503	(\$503)	\$0	\$0	\$0	\$0
	Rental Stabilization Program Fee Fund (450) TOTAL	\$0	\$0	\$503	(\$503)	\$0	\$0	\$0	\$0
San José Arena Capital Reserve Fund (459)									
Clean-Up and Rebudget Actions									
Office of the City Manager									
	Transfer to the General Fund (Interest Income)	-	-	\$2,454	-	\$2,454	-	-	\$2,454
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$2,454)	(\$2,454)	-	-	(\$2,454)
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$2,454	(\$2,454)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments									
Office of the City Manager - City Manager - Office of Economic Development	Previously Approved Repairs Reserve	-	-	-	(\$3,104,151)	(\$3,104,151)	-	-	(\$3,104,151)
	Electrical Repairs	-	-	\$1,316,748	-	\$1,316,748	-	-	\$1,316,748
	Structures Repairs	-	-	\$1,344,315	-	\$1,344,315	-	-	\$1,344,315
	Mechanical Repairs	-	-	\$160,885	-	\$160,885	-	-	\$160,885
	Unanticipated/Emergency Repairs	-	-	\$224,441	-	\$224,441	-	-	\$224,441
	Miscellaneous Repairs	-	-	\$57,762	-	\$57,762	-	-	\$57,762
	Budget Adjustments Total	\$0	\$0	\$3,104,151	(\$3,104,151)	\$0	\$0	\$0	\$0
	San José Arena Capital Reserve Fund (459) TOTAL	\$0	\$0	\$3,106,605	(\$3,106,605)	\$0	\$0	\$0	\$0
San José Clean Energy Operating Fund (501)									
Clean-Up and Rebudget Actions									
Community Energy Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$44,034)	-	(\$44,034)	-	-	(\$44,034)
	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$44,034	\$44,034	-	-	\$44,034
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$3,835)	(\$3,835)	-	-	(\$3,835)
	Transfer to the General Fund (Interest Income)	-	-	\$7,420	-	\$7,420	-	-	\$7,420
Finance Department	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$7,420)	(\$7,420)	-	-	(\$7,420)
	Salary and Benefits Program	\$3,835	-	-	-	\$3,835	-	-	\$3,835

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions								
TOTAL	\$3,835	\$0	(\$36,614)	\$32,779	\$0	\$0	\$0	\$0
San José Clean Energy								
Operating Fund (501) TOTAL	\$3,835	\$0	(\$36,614)	\$32,779	\$0	\$0	\$0	\$0
San José-Santa Clara Treatment Plant Income Fund (514)								
Clean-Up and Rebudget Actions								
Environmental								
Services Department								
Transfer to the General Fund (Interest Income)	-	-	\$108	-	\$108	-	-	\$108
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$108)	(\$108)	-	-	(\$108)
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$108	(\$108)	\$0	\$0	\$0	\$0
San José-Santa Clara Treatment Plant Income Fund (514)								
TOTAL	\$0	\$0	\$108	(\$108)	\$0	\$0	\$0	\$0
Sewage Treatment Plant Connection Fee Fund (539)								
Clean-Up and Rebudget Actions								
Environmental								
Services Department								
Treatment Plant Expansion Reserve (General Fund Interest Income)	-	-	-	(\$5,657)	(\$5,657)	-	-	(\$5,657)
Transfer to the General Fund (Interest Income)	-	-	\$5,657	-	\$5,657	-	-	\$5,657
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$5,657	(\$5,657)	\$0	\$0	\$0	\$0
Sewage Treatment Plant Connection Fee Fund (539)								
TOTAL	\$0	\$0	\$5,657	(\$5,657)	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Sewer Service And Use Charge Fund (541)								
Clean-Up and Rebudget Actions								
Environmental								
Services Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$81,973	\$81,973	-	-	\$81,973
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$81,973)	-	(\$81,973)	-	-	(\$81,973)
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$5,297)	(\$5,297)	-	-	(\$5,297)
Transfer to the General Fund (Interest Income)	-	-	\$13,178	-	\$13,178	-	-	\$13,178
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$13,178)	(\$13,178)	-	-	(\$13,178)
Information Technology Department								
Salary and Benefits Program	\$2,488	-	-	-	\$2,488	-	-	\$2,488
Planning, Building and Code Enforcement Department								
Salary and Benefits Program	\$2,809	-	-	-	\$2,809	-	-	\$2,809
Clean-Up and Rebudget Actions								
TOTAL	\$5,297	\$0	(\$68,795)	\$63,498	\$0	\$0	\$0	\$0
Sewer Service And Use Charge Fund (541) TOTAL								
	\$5,297	\$0	(\$68,795)	\$63,498	\$0	\$0	\$0	\$0
St. James Park Management District Fund (345)								
Clean-Up and Rebudget Actions								
Parks, Recreation and Neighborhood								
Services Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$1,742	\$1,742	-	-	\$1,742

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Mid-Year Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transportation Department	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$1,742)	-	(\$1,742)	-	-	(\$1,742)
	Transfer to the General Fund (Interest Income)	-	-	\$862	-	\$862	-	-	\$862
	Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$862)	(\$862)	-	-	(\$862)
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	(\$880)	\$880	\$0	\$0	\$0	\$0
St. James Park Management District Fund (345) TOTAL		\$0	\$0	(\$880)	\$880	\$0	\$0	\$0	\$0
State Drug Forfeiture Fund (417)									
Budget Adjustments									
Police Department	Non-Personal/Equipment (eCite Software Upgrade)	-	\$150,000	-	-	\$150,000	-	-	\$150,000
	Ending Fund Balance Adjustment	-	-	-	(\$150,000)	(\$150,000)	-	-	(\$150,000)
Budget Adjustments Total		\$0	\$150,000	\$0	(\$150,000)	\$0	\$0	\$0	\$0
State Drug Forfeiture Fund (417) TOTAL		\$0	\$150,000	\$0	(\$150,000)	\$0	\$0	\$0	\$0
Storm Sewer Operating Fund (446)									
Clean-Up and Rebudget Actions									
Environmental Services Department	Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$104,145	\$104,145	-	-	\$104,145
	Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$104,145)	-	(\$104,145)	-	-	(\$104,145)
	Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$52,878)	(\$52,878)	-	-	(\$52,878)

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transfer to the General Fund (Interest Income)	-	-	\$4,892	-	\$4,892	-	-	\$4,892
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$4,892)	(\$4,892)	-	-	(\$4,892)
Transportation Department Salary and Benefits Program	\$52,878	-	-	-	\$52,878	-	-	\$52,878
Clean-Up and Rebudget Actions TOTAL	\$52,878	\$0	(\$99,253)	\$46,375	\$0	\$0	\$0	\$0
Storm Sewer Operating Fund (446) TOTAL	\$52,878	\$0	(\$99,253)	\$46,375	\$0	\$0	\$0	\$0
Supplemental Law Enforcement Services Fund (414)								
Clean-Up and Rebudget Actions								
Police Department Transfer to the General Fund (Interest Income)	-	-	\$1,033	-	\$1,033	-	-	\$1,033
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,033)	(\$1,033)	-	-	(\$1,033)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$1,033	(\$1,033)	\$0	\$0	\$0	\$0
Supplemental Law Enforcement Services Fund (414) TOTAL	\$0	\$0	\$1,033	(\$1,033)	\$0	\$0	\$0	\$0
Transient Occupancy Tax Fund (461)								
Budget Adjustments								
City Manager - Office of Economic Development Licenses and Permits (Cultural Events)	-	-	-	-	-	(\$24,345)	-	\$24,345

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transient Occupancy Tax	-	-	-	-	-	(\$5,200,000)	-	\$5,200,000
Cultural Grants	-	-	(\$1,175,000)	-	(\$1,175,000)	-	-	(\$1,175,000)
San José Convention and Visitors Bureau	-	-	(\$1,175,000)	-	(\$1,175,000)	-	-	(\$1,175,000)
Transfer to the Convention and Cultural Affairs Fund	-	-	(\$2,350,000)	-	(\$2,350,000)	-	-	(\$2,350,000)
Ending Fund Balance Adjustment	-	-	-	(\$524,345)	(\$524,345)	-	-	(\$524,345)
Budget Adjustments Total	\$0	\$0	(\$4,700,000)	(\$524,345)	(\$5,224,345)	(\$5,224,345)	\$0	\$0
Transient Occupancy Tax Fund (461) TOTAL	\$0	\$0	(\$4,700,000)	(\$524,345)	(\$5,224,345)	(\$5,224,345)	\$0	\$0
Vehicle Maintenance And Operations Fund (552)								
Clean-Up and Rebudget Actions								
Public Works Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$17,334	\$17,334	-	-	\$17,334
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$17,334)	-	(\$17,334)	-	-	(\$17,334)
Transfer to the General Fund (Interest Income)	-	-	\$1,137	-	\$1,137	-	-	\$1,137
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$1,137)	(\$1,137)	-	-	(\$1,137)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$16,197)	\$16,197	\$0	\$0	\$0	\$0
Vehicle Maintenance And Operations Fund (552) TOTAL	\$0	\$0	(\$16,197)	\$16,197	\$0	\$0	\$0	\$0

Special Funds
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Water Utility Fund (515)								
Clean-Up and Rebudget Actions								
Environmental								
Services Department								
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)	-	-	-	\$34,374	\$34,374	-	-	\$34,374
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	-	-	(\$34,374)	-	(\$34,374)	-	-	(\$34,374)
Salary and Benefits Program	\$93,039	-	-	-	\$93,039	-	-	\$93,039
Salary and Benefits Program - Ending Fund Balance	-	-	-	(\$93,039)	(\$93,039)	-	-	(\$93,039)
Transfer to the General Fund (Interest Income)	-	-	\$3,921	-	\$3,921	-	-	\$3,921
Ending Fund Balance Adjustment (General Fund Interest Income)	-	-	-	(\$3,921)	(\$3,921)	-	-	(\$3,921)
Clean-Up and Rebudget Actions TOTAL	\$93,039	\$0	(\$30,453)	(\$62,586)	\$0	\$0	\$0	\$0
Budget Adjustments								
Environmental								
Services Department								
Ending Fund Balance Adjustment	-	-	-	(\$12,000)	(\$12,000)	-	-	(\$12,000)
Finance Department								
Banking Services (Merchant Card Service Fee)	-	-	\$12,000	-	\$12,000	-	-	\$12,000
Budget Adjustments Total	\$0	\$0	\$12,000	(\$12,000)	\$0	\$0	\$0	\$0
Water Utility Fund (515) TOTAL	\$93,039	\$0	(\$18,453)	(\$74,586)	\$0	\$0	\$0	\$0

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Airport Capital Improvement Fund (520)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(1,546)	\$(1,546)			\$(1,546)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,546		\$1,546			\$1,546
Clean-Up and Rebudget Actions TOTAL	\$1,546	\$(1,546)				
Airport Capital Improvement Fund (520) TOTAL	\$1,546	\$(1,546)				
Airport Passenger Facility Charge Fund (529)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(4,404)	\$(4,404)			\$(4,404)
Tech Adjust: Transfer to the General Fund - Interest Income	\$4,404		\$4,404			\$4,404
Clean-Up and Rebudget Actions TOTAL	\$4,404	\$(4,404)				
Ending Fund Balance Adjustment		\$8,188,000	\$8,188,000			\$8,188,000
Transfer to Airport Fiscal Agent Fund	\$(8,188,000)		\$(8,188,000)			\$(8,188,000)
Budget Adjustments TOTAL	\$(8,188,000)	\$8,188,000				
Airport Passenger Facility Charge Fund (529) TOTAL	\$(8,183,596)	\$8,183,596				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Airport Renewal and Replacement Fund (527)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(21,100)	\$(21,100)			\$(21,100)
Tech Adjust: Transfer to the General Fund - Interest Income	\$21,100		\$21,100			\$21,100
Clean-Up and Rebudget Actions TOTAL	\$21,100	\$(21,100)				
Ending Fund Balance Adjustment		\$(1,000,000)	\$(1,000,000)			\$(1,000,000)
Guadalupe Gardens Fencing	\$1,000,000		\$1,000,000			\$1,000,000
Budget Adjustments TOTAL	\$1,000,000	\$(1,000,000)				
Airport Renewal and Replacement Fund (527) TOTAL			\$1,021,100			\$(1,021,100)
Building and Structure Construction Tax Fund (429)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(89,000)		\$(89,000)			\$(89,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$89,000	\$89,000			\$89,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(30,533)	\$(30,533)			\$(30,533)
Tech Adjust: Route 87/Capitol Expressway Interchange Improvements (Appropriation name change from Route 87/Narvaez Interchange Improvements)	\$0		\$0			\$0
Tech Adjust: Transfer to the General Fund - Interest Income	\$30,533		\$30,533			\$30,533
Clean-Up and Rebudget Actions TOTAL	\$(58,467)	\$58,467				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Building and Structure Construction Tax Fund (429)						
Avenues School Safety Improvements	\$1,000,000		\$1,000,000			\$1,000,000
Building and Structure Construction Tax				\$6,000,000		\$(6,000,000)
Ending Fund Balance Adjustment		\$5,525,000	\$5,525,000			\$5,525,000
Monterey Road and Valleyhaven Way Traffic Signal Design	\$200,000		\$200,000			\$200,000
Other Revenue (In-Lieu Fees)				\$1,000,000		\$(1,000,000)
Safety - Pedestrian and Roadway Improvements	\$(200,000)		\$(200,000)			\$(200,000)
Safety - Traffic Signal Modifications/Construction	\$295,000		\$295,000			\$295,000
Safety - Traffic Signal Rehabilitation	\$180,000		\$180,000			\$180,000
Budget Adjustments TOTAL	\$1,475,000	\$5,525,000	\$7,000,000	\$7,000,000		
Building and Structure Construction Tax Fund (429) TOTAL	\$1,416,533	\$5,583,467	\$7,000,000	\$7,000,000		
Communications Construction and Conveyance Tax Fund (397)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(293)	\$(293)			\$(293)
Tech Adjust: Transfer to the General Fund - Interest Income	\$293		\$293			\$293
Clean-Up and Rebudget Actions TOTAL	\$293	\$(293)				
Construction and Conveyance Tax				\$340,000		\$(340,000)
Ending Fund Balance Adjustment		\$340,000	\$340,000			\$340,000
Budget Adjustments TOTAL		\$340,000	\$340,000	\$340,000		
Communications Construction and Conveyance Tax Fund (397) TOTAL	\$293	\$339,707	\$340,000	\$340,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(116,187)		\$(116,187)			\$(116,187)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$116,187	\$116,187			\$116,187
Tech Adjust: Ending Fund Balance Adjustment - Construction Excise Tax Fund (General Fund Interest Income)		\$(7,306)	\$(7,306)			\$(7,306)
Tech Adjust: Ending Fund Balance Adjustment - Pavement Maintenance - State Gas Tax (General Fund Interest Income)		\$(6,619)	\$(6,619)			\$(6,619)
Tech Adjust: Evergreen Traffic Impact Fees Reserve (General Fund Interest Income)	\$(2,272)		\$(2,272)			\$(2,272)
Tech Adjust: I-280/Winchester Boulevard Interchange (General Fund Interest Income)	\$(194)		\$(194)			\$(194)
Tech Adjust: North San José Traffic Impact Fees Reserve (General Fund Interest Income)	\$(15,148)		\$(15,148)			\$(15,148)
Tech Adjust: Pavement Maintenance – VTA Measure B VRF (General Fund Interest Income)	\$(3,326)		\$(3,326)			\$(3,326)
Tech Adjust: Route 101/Oakland/Mabury Traffic Impact Fees Reserve - (General Fund Interest Income)	\$(7,591)		\$(7,591)			\$(7,591)
Tech Adjust: Transfer to the General Fund - Construction Excise Tax Fund - Interest Income	\$7,306		\$7,306			\$7,306
Tech Adjust: Transfer to the General Fund - Evergreen Traffic Impact Fee Fund - Interest Income	\$2,272		\$2,272			\$2,272
Tech Adjust: Transfer to the General Fund - I-280/Winchester Traffic Impact Fee Fund - Interest Income	\$194		\$194			\$194
Tech Adjust: Transfer to the General Fund - North San José Traffic Impact Fee Fund - Interest Income	\$15,148		\$15,148			\$15,148

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Tech Adjust: Transfer to the General Fund - Route 101/Oakland/Mabury Traffic Impact Fee Fund - Interest Income	\$7,591		\$7,591			\$7,591
Tech Adjust: Transfer to the General Fund - State Gas Tax Pavement Maintenance Fund - Interest Income	\$6,619		\$6,619			\$6,619
Tech Adjust: Transfer to the General Fund - VTA Measure B - Pavement Maintenance Fund - Interest Income	\$3,326		\$3,326			\$3,326
Clean-Up and Rebudget Actions TOTAL	\$(102,262)	\$102,262				
Construction Excise Tax				\$7,000,000		\$(7,000,000)
Downtown San José Mobility, Streetscape, and Public Life Plan	\$70,000		\$70,000			\$70,000
Ending Fund Balance Adjustment		\$5,607,000	\$5,607,000			\$5,607,000
Evergreen Traffic Impact Fees Reserve	\$(400,000)		\$(400,000)			\$(400,000)
Highway 680 and Jackson Avenue Traffic Signal	\$200,000		\$200,000			\$200,000
Miscellaneous Street Improvements	\$323,000		\$323,000			\$323,000
North San José Light Rail Cabinets	\$325,000		\$325,000			\$325,000
North San José Traffic Impact Fees Reserve	\$(325,000)		\$(325,000)			\$(325,000)
Pavement Maintenance - Complete Street Project Development	\$1,000,000		\$1,000,000			\$1,000,000
Pavement Maintenance - Measure B 2010 VRF	\$832,218		\$832,218			\$832,218
Quimby Road and White Road Traffic Signal	\$200,000		\$200,000			\$200,000
Revenue from Local Agencies (Pavement Maintenance - Measure B VRF)				\$832,218		\$(832,218)
Budget Adjustments TOTAL	\$2,225,218	\$5,607,000	\$7,832,218	\$7,832,218		
Construction Excise Tax Fund (465) TOTAL	\$2,122,956	\$5,709,262	\$7,832,218	\$7,832,218		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Contingent Lien District Fund (634)						
Tech Adjust: Evergreen Creek District Reserve Adjustment (General fund Interest Income)	\$(873)		\$(873)			\$(873)
Tech Adjust: Evergreen Specific Plan District Reserve Adjustment (General fund Interest Income)	\$(618)		\$(618)			\$(618)
Tech Adjust: Silicon Valley Bridge Assessment District Reserve Adjustment (General fund Interest Income)	\$(104)		\$(104)			\$(104)
Tech Adjust: Silver Creek Development District 1A Reserve Adjustment (General fund Interest Income)	\$(137)		\$(137)			\$(137)
Tech Adjust: Transfer to the General Fund - Interest Income	\$873		\$873			\$873
Tech Adjust: Transfer to the General Fund - Interest Income	\$137		\$137			\$137
Tech Adjust: Transfer to the General Fund - Interest Income	\$104		\$104			\$104
Contingent Lien District Fund (634)						
Tech Adjust: Transfer to the General Fund - Interest Income	\$618		\$618			\$618
Clean-Up and Rebudget Actions TOTAL						
Contingent Lien District Fund (634) TOTAL						

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Convention and Cultural Affairs Capital Fund (560)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(9,134)	\$(9,134)			\$(9,134)
Tech Adjust: Transfer to the General Fund - Interest Income	\$9,134		\$9,134			\$9,134
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$9,000	\$9,000			\$9,000
Tech Adjust: Transfer to the City Hall Debt Service Fund (Debt Refunding Activities)	\$(9,000)		\$(9,000)			\$(9,000)
Clean-Up and Rebudget Actions TOTAL	\$134	\$(134)				
Cultural Facilities Planning and Project Development	\$(165,000)		\$(165,000)			\$(165,000)
Cultural Facilities Rehabilitation/Repair - Electrical	\$(13,000)		\$(13,000)			\$(13,000)
Cultural Facilities Rehabilitation/Repair - Mechanical	\$13,000		\$13,000			\$13,000
Cultural Facilities Rehabilitation/Repair - Miscellaneous	\$(8,000)		\$(8,000)			\$(8,000)
Cultural Facilities Rehabilitation/Repair - Structures	\$(32,000)		\$(32,000)			\$(32,000)
Ending Fund Balance Adjustment		\$(2,180,000)	\$(2,180,000)			\$(2,180,000)
Preliminary Engineering - Cultural Facilities	\$50,000		\$50,000			\$50,000
Transfer to the Convention and Cultural Affairs Fund	\$2,335,000		\$2,335,000			\$2,335,000
Budget Adjustments TOTAL	\$2,180,000	\$(2,180,000)				
Convention and Cultural Affairs Capital Fund (560) TOTAL	\$2,180,134	\$(2,180,134)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Convention Center Facilities District Capital Fund (798)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(1,554)	\$(1,554)			\$(1,554)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,554		\$1,554			\$1,554
Clean-Up and Rebudget Actions TOTAL	\$1,554	\$(1,554)				
Ending Fund Balance Adjustment		\$(1,700,000)	\$(1,700,000)			\$(1,700,000)
Transfer to the Convention Center Facilities District Revenue Fund	\$1,700,000		\$1,700,000			\$1,700,000
Budget Adjustments TOTAL	\$1,700,000	\$(1,700,000)				
Convention Center Facilities District Capital Fund (798) TOTAL	\$1,701,554	\$(1,701,554)				
Council District 1 Construction and Conveyance Tax Fund (377)						
Council District 1 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$391,000	\$391,000			\$391,000
Mise Park Improvements	\$140,000		\$140,000			\$140,000
Budget Adjustments TOTAL	\$140,000	\$391,000	\$531,000	\$531,000		
Council District 1 Construction and Conveyance Tax Fund (377) TOTAL	\$140,000	\$391,000	\$531,000	\$531,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Council District 10 Construction and Conveyance Tax Fund (389)						
Council District 10 C&C Tax Fund: Needs-Based Transfer				\$89,000		\$(89,000)
Council District 10 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$162,000	\$162,000			\$162,000
Budget Adjustments TOTAL		\$162,000	\$162,000	\$162,000		
Council District 10 Construction and Conveyance Tax Fund (389) TOTAL		\$162,000	\$162,000	\$162,000		
Council District 2 Construction and Conveyance Tax Fund (378)						
Council District 2 C&C Tax Fund: Needs-Based Transfer				\$170,000		\$(170,000)
Council District 2 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$49,000	\$49,000			\$49,000
Ramac Park Turf Replacement	\$194,000		\$194,000			\$194,000
Budget Adjustments TOTAL	\$194,000	\$49,000	\$243,000	\$243,000		
Council District 2 Construction and Conveyance Tax Fund (378) TOTAL	\$194,000	\$49,000	\$243,000	\$243,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Council District 3 Construction and Conveyance Tax Fund (380)						
Council District 3 C&C Tax Fund: Needs-Based Transfer				\$148,000		\$(148,000)
Council District 3 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$131,000	\$131,000			\$131,000
Strategic Capital Replacement and Maintenance Needs	\$50,000		\$50,000			\$50,000
TRAIL: Five Wounds Development (Story Road to Whitton Avenue)	\$40,000		\$40,000			\$40,000
Budget Adjustments TOTAL	\$90,000	\$131,000	\$221,000	\$221,000		
Council District 3 Construction and Conveyance Tax Fund (380) TOTAL	\$90,000	\$131,000	\$221,000	\$221,000		
Council District 4 Construction and Conveyance Tax Fund (381)						
Council District 4 C&C Tax Fund: Needs-Based Transfer				\$108,000		\$(108,000)
Council District 4 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$131,000	\$131,000			\$131,000
Strategic Capital Replacement and Maintenance Needs	\$50,000		\$50,000			\$50,000
Budget Adjustments TOTAL	\$50,000	\$131,000	\$181,000	\$181,000		
Council District 4 Construction and Conveyance Tax Fund (381) TOTAL	\$50,000	\$131,000	\$181,000	\$181,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue Beg Fund Balance	
Council District 5 Construction and Conveyance Tax Fund (382)					
Council District 5 C&C Tax Fund: Needs-Based Transfer				\$484,000	\$(484,000)
Council District 5 C&C Tax Fund: Special Needs Transfer				\$73,000	\$(73,000)
Ending Fund Balance Adjustment		\$557,000	\$557,000		\$557,000
Budget Adjustments TOTAL		\$557,000	\$557,000	\$557,000	
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL		\$557,000	\$557,000	\$557,000	
Council District 6 Construction and Conveyance Tax Fund (384)					
Council District 6 C&C Tax Fund: Needs-Based Transfer				\$428,000	\$(428,000)
Council District 6 C&C Tax Fund: Special Needs Transfer				\$73,000	\$(73,000)
Ending Fund Balance Adjustment		\$501,000	\$501,000		\$501,000
Budget Adjustments TOTAL		\$501,000	\$501,000	\$501,000	
Council District 6 Construction and Conveyance Tax Fund (384) TOTAL		\$501,000	\$501,000	\$501,000	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Council District 7 Construction and Conveyance Tax Fund (385)						
Council District 7 C&C Tax Fund: Needs-Based Transfer				\$421,000		\$(421,000)
Council District 7 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$494,000	\$494,000			\$494,000
Budget Adjustments TOTAL		\$494,000	\$494,000	\$494,000		
Council District 7 Construction and Conveyance Tax Fund (385) TOTAL		\$494,000	\$494,000	\$494,000		
Council District 8 Construction and Conveyance Tax Fund (386)						
Council District 8 C&C Tax Fund: Needs-Based Transfer				\$279,000		\$(279,000)
Council District 8 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$352,000	\$352,000			\$352,000
Budget Adjustments TOTAL		\$352,000	\$352,000	\$352,000		
Council District 8 Construction and Conveyance Tax Fund (386) TOTAL		\$352,000	\$352,000	\$352,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Council District 9 Construction and Conveyance Tax Fund (388)						
Council District 9 C&C Tax Fund: Needs-Based Transfer				\$312,000		\$(312,000)
Council District 9 C&C Tax Fund: Special Needs Transfer				\$73,000		\$(73,000)
Ending Fund Balance Adjustment		\$385,000	\$385,000			\$385,000
Budget Adjustments TOTAL		\$385,000	\$385,000	\$385,000		
Council District 9 Construction and Conveyance Tax Fund (388) TOTAL		\$385,000	\$385,000	\$385,000		
Emma Prusch Fund (131)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(125)	\$(125)			\$(125)
Tech Adjust: Transfer to the General Fund - Interest Income	\$125		\$125			\$125
Clean-Up and Rebudget Actions TOTAL	\$125	\$(125)				
Emma Prusch Fund (131) TOTAL	\$125	\$(125)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Fire Construction and Conveyance Tax Fund (392)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(3,076)	\$(3,076)			\$(3,076)
Tech Adjust: Measure T - Fire Station 37 (Department Change from Fire To Public Works)	\$ (919,000)		\$(919,000)			\$(919,000)
Tech Adjust: Measure T - Fire Station 37 (Department Change from Fire To Public Works)	\$919,000		\$919,000			\$919,000
Tech Adjust: Transfer to the General Fund - Interest Income	\$3,076		\$3,076			\$3,076
Clean-Up and Rebudget Actions TOTAL	\$3,076	\$(3,076)				
Construction and Conveyance Tax				\$840,000		\$(840,000)
Emergency Medical Services Equipment	\$103,000		\$103,000			\$103,000
Ending Fund Balance Adjustment		\$699,000	\$699,000			\$699,000
Fuel Tank Replacement (Fire Station 22)	\$38,000		\$38,000			\$38,000
Budget Adjustments TOTAL	\$141,000	\$699,000	\$840,000	\$840,000		
Fire Construction and Conveyance Tax Fund (392) TOTAL	\$144,076	\$695,924	\$840,000	\$840,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
General Purpose Parking Capital Fund (559)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(3,000)		\$(3,000)			\$(3,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$3,000	\$3,000			\$3,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(15,086)	\$(15,086)			\$(15,086)
Tech Adjust: Transfer to the General Fund - Interest Income	\$15,086		\$15,086			\$15,086
Clean-Up and Rebudget Actions TOTAL	\$12,086	\$(12,086)				
SAP/Diridon Area Parking and Transportation Reserve	\$(2,700,000)		\$(2,700,000)			\$(2,700,000)
Transfer to General Purpose Parking Fund	\$2,700,000		\$2,700,000			\$2,700,000
Budget Adjustments TOTAL						
General Purpose Parking Capital Fund (559) TOTAL	\$12,086	\$(12,086)				
Lake Cunningham Fund (462)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(701)	\$(701)			\$(701)
Tech Adjust: Transfer to the General Fund - Interest Income	\$701		\$701			\$701
Clean-Up and Rebudget Actions TOTAL	\$701	\$(701)				
Capital Program and Public Works Department Support Service Costs	\$20,000		\$20,000			\$20,000
Ending Fund Balance Adjustment		\$(330,000)	\$(330,000)			\$(330,000)
Lake Cunningham Parking Revenue				\$(310,000)		\$310,000
Budget Adjustments TOTAL	\$20,000	\$(330,000)	\$(310,000)	\$(310,000)		
Lake Cunningham Fund (462) TOTAL	\$20,701	\$(330,701)	\$(310,000)	\$(310,000)		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Library Construction and Conveyance Tax Fund (393)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(2,918)	\$(2,918)			\$(2,918)
Tech Adjust: Transfer to the General Fund - Interest Income	\$2,918		\$2,918			\$2,918
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(1,000)		\$(1,000)			\$(1,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$1,000	\$1,000			\$1,000
Clean-Up and Rebudget Actions TOTAL	\$1,918	\$(1,918)				
Construction and Conveyance Tax				\$1,422,000		\$(1,422,000)
Ending Fund Balance Adjustment		\$1,422,000	\$1,422,000			\$1,422,000
Budget Adjustments TOTAL		\$1,422,000	\$1,422,000	\$1,422,000		
Library Construction and Conveyance Tax Fund (393) TOTAL	\$1,918	\$1,420,082	\$1,422,000	\$1,422,000		
Library Parcel Tax Capital Fund (483)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(349)	\$(349)			\$(349)
Tech Adjust: Transfer to the General Fund - Interest Income	\$349		\$349			\$349
Clean-Up and Rebudget Actions TOTAL	\$349	\$(349)				
Library Parcel Tax Capital Fund (483) TOTAL	\$349	\$(349)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Major Collectors and Arterials Fund (421)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(622)	\$(622)			\$(622)
Tech Adjust: Transfer to the General Fund - Interest Income	\$622		\$622			\$622
Clean-Up and Rebudget Actions TOTAL	\$622	\$(622)				
Major Collectors and Arterials Fund (421) TOTAL	\$622	\$(622)				
Major Facilities Fund (502)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(2,040)	\$(2,040)			\$(2,040)
Tech Adjust: Transfer to the General Fund - Interest Income	\$2,040		\$2,040			\$2,040
Clean-Up and Rebudget Actions TOTAL	\$2,040	\$(2,040)				
Major Facilities Fund (502) TOTAL	\$2,040	\$(2,040)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Measure T: Public Safety and Infrastructure Bond Fund (498)						
Ending Fund Balance Adjustment (Municipal Improvements)		\$(3,000,000)	\$(3,000,000)			\$(3,000,000)
Ending Fund Balance Adjustment (Public Safety)		\$3,000,000	\$3,000,000			\$3,000,000
Measure T - Emergency Operations Center Relocation	\$(3,000,000)		\$(3,000,000)			\$(3,000,000)
Measure T - Environmental Protection Projects	\$3,000,000		\$3,000,000			\$3,000,000
Budget Adjustments TOTAL						
Measure T: Public Safety and Infrastructure Bond Fund (498) TOTAL						
Neighborhood Security Bond Fund (475)						
Tech Adjust: Measure T - Fire Station 37 (Department change from Fire to Public Works)	\$(1,650,000)		\$(1,650,000)			\$(1,650,000)
Tech Adjust: Measure T - Fire Station 37 (Department change from Fire to Public Works)	\$1,650,000		\$1,650,000			\$1,650,000
Clean-Up and Rebudget Actions TOTAL						
Neighborhood Security Bond Fund (475) TOTAL						

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Park Yards Construction and Conveyance Tax Fund (398)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(1,287)	\$(1,287)			\$(1,287)
Tech Adjust: Transfer to General Fund - Park Yards Operating and Maintenance Expenses (Correction)	\$(11,000)		\$(11,000)			\$(11,000)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,287		\$1,287			\$1,287
Tech Adjust: Ending Fund Balance Adjustment (Transfer to General Fund - Park Yards Operating and Maintenance Expenses (Correction))		\$11,000	\$11,000			\$11,000
Clean-Up and Rebudget Actions TOTAL	\$(9,713)	\$9,713				
Construction and Conveyance Tax				\$120,000		\$(120,000)
Ending Fund Balance Adjustment		\$102,000	\$102,000			\$102,000
Transfer to General Fund - Park Yards Operating and Maintenance Expenses	\$18,000		\$18,000			\$18,000
Budget Adjustments TOTAL	\$18,000	\$102,000	\$120,000	\$120,000		
Park Yards Construction and Conveyance Tax Fund (398) TOTAL	\$8,287	\$111,713	\$120,000	\$120,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Parks and Recreation Bond Projects Fund (471)						
Tech Adjust: Parks and Recreation Bond Projects Contingency Reserve (General Fund Interest Income)	\$(384)		\$(384)			\$(384)
Tech Adjust: Transfer to the General Fund - Interest Income	\$384		\$384			\$384
Clean-Up and Rebudget Actions TOTAL						
Parks and Recreation Bond Projects Contingency Reserve	\$(822)		\$(822)			\$(822)
Solari Park Improvements	\$822		\$822			\$822
Budget Adjustments TOTAL						
Parks and Recreation Bond Projects Fund (471) TOTAL						
Parks Central Construction and Conveyance Tax Fund (390)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(13,872)	\$(13,872)			\$(13,872)
Tech Adjust: Transfer to the General Fund - Interest Income	\$13,872		\$13,872			\$13,872
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(62,000)		\$(62,000)			\$(62,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$62,000	\$62,000			\$62,000
Clean-Up and Rebudget Actions TOTAL	\$(48,128)	\$48,128				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Parks Central Construction and Conveyance Tax Fund (390)						
Construction and Conveyance Tax				\$6,400,000		\$(6,400,000)
Council District 1 C&C Tax Fund: Needs-Based Transfer	\$458,000		\$458,000			\$458,000
Council District 1 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 10 C&C Tax Fund: Needs-Based Transfer	\$89,000		\$89,000			\$89,000
Council District 10 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 2 C&C Tax Fund: Needs-Based Transfer	\$170,000		\$170,000			\$170,000
Council District 2 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 3 C&C Tax Fund: Needs-Based Transfer	\$148,000		\$148,000			\$148,000
Council District 3 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 4 C&C Tax Fund: Needs-Based Transfer	\$108,000		\$108,000			\$108,000
Council District 4 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 5 C&C Tax Fund: Needs-Based Transfer	\$484,000		\$484,000			\$484,000
Council District 5 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 6 C&C Tax Fund: Needs-Based Transfer	\$428,000		\$428,000			\$428,000
Council District 6 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 7 C&C Tax Fund: Needs-Based Transfer	\$421,000		\$421,000			\$421,000
Council District 7 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Parks Central Construction and Conveyance Tax Fund (390)						
Council District 8 C&C Tax Fund: Needs-Based Transfer	\$279,000		\$279,000			\$279,000
Council District 8 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Council District 9 C&C Tax Fund: Needs-Based Transfer	\$312,000		\$312,000			\$312,000
Council District 9 C&C Tax Fund: Special Needs Transfer	\$73,000		\$73,000			\$73,000
Transfer to the General Fund Parks Eligible Maintenance Costs	\$960,000		\$960,000			\$960,000
Transfer to the Parks City-Wide C&C Tax Fund	\$1,813,000		\$1,813,000			\$1,813,000
Budget Adjustments TOTAL	\$6,400,000		\$6,400,000	\$6,400,000		
Parks Central Construction and Conveyance Tax Fund (390) TOTAL	\$6,351,872	\$48,128	\$6,400,000	\$6,400,000		
Parks City-Wide Construction and Conveyance Tax Fund (391)						
Fund Balance Reconciliation					\$3	\$(3)
Fund Balance Reconciliation		\$3	\$3			\$3
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(5,801)	\$(5,801)			\$(5,801)
Tech Adjust: Transfer to the General Fund - Interest Income	\$5,801		\$5,801			\$5,801
Clean-Up and Rebudget Actions TOTAL	\$5,801	\$(5,798)	\$3		\$3	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Parks City-Wide Construction and Conveyance Tax Fund (391)						
2017 Flood - Commercial Paper Debt Service and Letter of Credit Fees	\$152,000		\$152,000			\$152,000
Ending Fund Balance Adjustment		\$1,503,000	\$1,503,000			\$1,503,000
Environmental Mitigation Maintenance and Monitoring	\$23,000		\$23,000			\$23,000
Family Camp Infrastructure Renovations	\$60,000		\$60,000			\$60,000
Kelley Park Master Plan	\$25,000		\$25,000			\$25,000
Preliminary Engineering - Trails	\$50,000		\$50,000			\$50,000
Transfers and Reimbursements (Transfer in from C&C Tax Fund: Parks Purposes Central Fund)				\$1,813,000		\$(1,813,000)
Budget Adjustments TOTAL	\$310,000	\$1,503,000	\$1,813,000	\$1,813,000		
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL	\$315,801	\$1,497,202	\$1,813,003	\$1,813,000	\$3	
Residential Construction Tax Contribution Fund (420)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(812)	\$(812)			\$(812)
Tech Adjust: Transfer to the General Fund - Interest Income	\$812		\$812			\$812
Clean-Up and Rebudget Actions TOTAL	\$812	\$(812)				
Residential Construction Tax Contribution Fund (420) TOTAL	\$812	\$(812)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Sanitary Sewer Connection Fee Fund (540)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(5,000)		\$(5,000)			\$(5,000)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)		\$5,000	\$5,000			\$5,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(1,274)	\$(1,274)			\$(1,274)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,274		\$1,274			\$1,274
Clean-Up and Rebudget Actions TOTAL	\$(3,726)	\$3,726				
Sanitary Sewer Connection Fee Fund (540) TOTAL	\$(3,726)	\$3,726				
Service Yards Construction and Conveyance Tax Fund (395)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(4,000)		\$(4,000)			\$(4,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$4,000	\$4,000			\$4,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(1,272)	\$(1,272)			\$(1,272)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,272		\$1,272			\$1,272
Clean-Up and Rebudget Actions TOTAL	\$(2,728)	\$2,728				
Construction and Conveyance Tax				\$878,000		\$(878,000)
Ending Fund Balance Adjustment		\$878,000	\$878,000			\$878,000
Budget Adjustments TOTAL		\$878,000	\$878,000	\$878,000		
Service Yards Construction and Conveyance Tax Fund (395) TOTAL	\$(2,728)	\$880,728	\$878,000	\$878,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Sewer Service and Use Charge Capital Improvement Fund (545)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(59,000)		\$(59,000)			\$(59,000)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)		\$59,000	\$59,000			\$59,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(27,590)	\$(27,590)			\$(27,590)
Tech Adjust: Transfer to the General Fund - Interest Income	\$27,590		\$27,590			\$27,590
Clean-Up and Rebudget Actions TOTAL	\$(31,410)	\$31,410				
Sewer Service and Use Charge Capital Improvement Fund (545) TOTAL	\$(31,410)	\$31,410				
Storm Drainage Fee Fund (413)						
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(209)	\$(209)			\$(209)
Tech Adjust: Transfer to the General Fund - Interest Income	\$209		\$209			\$209
Clean-Up and Rebudget Actions TOTAL	\$209	\$(209)				
Storm Drainage Fee Fund (413) TOTAL	\$209	\$(209)				
Storm Sewer Capital Fund (469)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(27,000)		\$(27,000)			\$(27,000)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)		\$27,000	\$27,000			\$27,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$(5,662)	\$(5,662)			\$(5,662)
Tech Adjust: Transfer to the General Fund - Interest Income	\$5,662		\$5,662			\$5,662
Clean-Up and Rebudget Actions TOTAL	\$(21,338)	\$21,338				
Storm Sewer Capital Fund (469) TOTAL	\$(21,338)	\$21,338				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
 2020-2021 Mid-Year Budget Review


Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Subdivision Park Trust Fund (375)						
Tech Adjust: Future PDO/PIO Projects Reserve (General Fund Interest Income)	\$(29,292)		\$(29,292)			\$(29,292)
Tech Adjust: Transfer to the General Fund - Interest Income	\$29,292		\$29,292			\$29,292
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$(54,000)		\$(54,000)			\$(54,000)
Tech Adjust: Future PDO/PIO Projects Reserve - City Hall Debt Service Fund (Debt Refunding Activities)	\$54,000		\$54,000			\$54,000
Clean-Up and Rebudget Actions TOTAL						
Biebrach Park Renovation	\$13,000		\$13,000			\$13,000
Future PDO/PIO Projects Reserve	\$(272,000)		\$(272,000)			\$(272,000)
Ramac Park Turf Replacement	\$193,000		\$193,000			\$193,000
Rincon South Park Development	\$25,000		\$25,000			\$25,000
TRAIL: Lower Silver Creek (Peter Pan Avenue to Bredford Way) Reserve	\$41,000		\$41,000			\$41,000
Budget Adjustments TOTAL						
Subdivision Park Trust Fund (375) TOTAL						

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2020-2021 Mid-Year Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Underground Utility Fund (416)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$ (2,000)		\$ (2,000)			\$ (2,000)
Tech Adjust: Ending Fund Balance - City Hall Debt Service Fund (Debt Refunding Activities)		\$ 2,000	\$ 2,000			\$ 2,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$ (3,360)	\$ (3,360)			\$ (3,360)
Underground Utility Fund (416)						
Tech Adjust: Transfer to the General Fund - Interest Income	\$ 3,360		\$ 3,360			\$ 3,360
Clean-Up and Rebudget Actions TOTAL	\$ 1,360	\$ (1,360)				
Underground Utility Fund (416) TOTAL	\$ 1,360	\$ (1,360)				
Water Utility Capital Fund (500)						
Tech Adjust: City Hall Debt Service Fund (Debt Refunding Activities)	\$ (1,000)		\$ (1,000)			\$ (1,000)
Tech Adjust: Ending Fund Balance (Debt Refunding Activities)		\$ 1,000	\$ 1,000			\$ 1,000
Tech Adjust: Ending Fund Balance Adjustment (General Fund Interest Income)		\$ (4,624)	\$ (4,624)			\$ (4,624)
Tech Adjust: Transfer to the General Fund - Interest Income	\$ 4,624		\$ 4,624			\$ 4,624
Clean-Up and Rebudget Actions TOTAL	\$ 3,624	\$ (3,624)				
Water Utility Capital Fund (500) TOTAL	\$ 3,624	\$ (3,624)				



2020-2021

MID-YEAR
BUDGET
REVIEW



SECTION
IV

APPENDIX





FINANCE DEPARTMENT
Monthly Financial Report

Financial Results for the Month Ended December 31, 2020
Fiscal Year 2020-2021
(UNAUDITED)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended December 31, 2020
Fiscal Year 2020-2021
(UNAUDITED)

Table of Contents

	<i>Page Reference</i>
General Fund	
Comparison of Current Year's Monthly Cash Balance vs. Prior Year's Balance.....	1
Comparison of Current Year-to-Date Revenues vs. Prior Year-to-Date Revenues.....	2
Comparison of Current Year-to-Date Expenditures vs. Prior Year-to-Date Expenditures.....	2
Comparison of Current Year-to-Date Revenues for Major Revenue Sources vs. Prior Year-to-Date Revenues.....	3
Comparison of Current Year-to-Date Expenditures by Type vs. Prior Year-to-Date Expenditures	3
Source and Use of Funds.....	4
Supplemental Schedule of Departmental Revenues.....	7
Other Funds	
<i>Special Funds</i>	
Comparison of Current Year-to-Date Construction & Conveyance Tax Revenues vs. Prior Year-to-Date Revenues.....	8
Comparison of Current Year-to-Date Construction & Conveyance Tax Expenditures vs. Prior Year-to-Date Expenditures.....	8
Comparison of Year-to-Date Revenues and YTD Expenditures vs. Prior Year-to-Date Revenue and Expenditures for:	
Airport Revenue Fund 521 and Airport Maintenance & Operation Fund 523.....	9
WPCP Operation Fund 513.....	10
General Purpose Parking Fund	11
Clean Energy Fund 501.....	12
Source and Use of Funds	13

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended December 31, 2020
Fiscal Year 2020-2021
(UNAUDITED)

Table of Contents

	<i>Page Reference</i>
Other Funds (Cont'd)	
<i>Capital Project Funds</i>	
Source and Use of Funds.....	16
<i>Other Fund Types</i>	
Source and Use of Funds.....	17

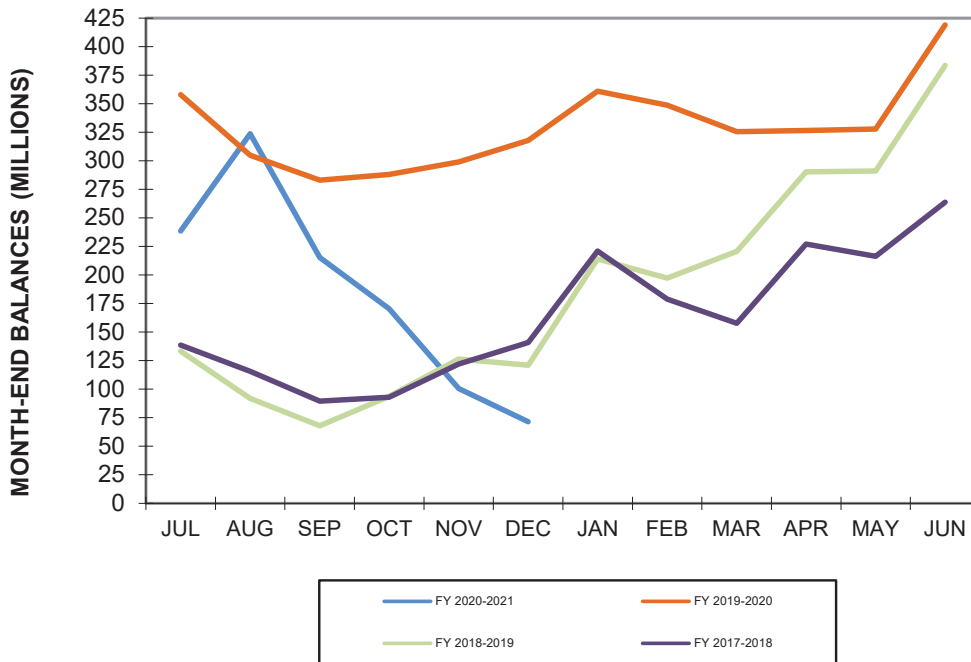
Submitted by:



Digitally signed by Julia H. Cooper
DN: cn=Julia H. Cooper, o=City of
San Jose, ou=Finance
Department,
email=julia.cooper@sanjoseca.gov
, c=US
Date: 2021.01.29 13:25:06 -08'00'

JULIA H. COOPER
Director, Finance Department

GENERAL FUND
Comparison of Cash Balances vs. Prior Year's Balance



GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2020-2021	FY 2019-2020	FY 2018-2019	FY 2017-2018
JULY ⁽¹⁾	\$ 238,661,153	\$ 358,057,314	133,276,057	\$ 138,576,379
AUGUST ^(2,3)	323,738,458	304,849,235	91,972,139	115,540,880
SEPTEMBER ^(2,3,4)	215,370,108	283,092,234	67,970,290	89,537,017
OCTOBER ⁽⁴⁾	170,467,897	288,196,905	93,654,030	93,031,593
NOVEMBER ⁽⁵⁾	100,622,899	299,006,136	126,316,418	122,022,698
DECEMBER ^(4,6)	71,502,262	317,868,572	121,024,958	140,886,445
JANUARY ⁽⁷⁾	-	360,969,681	214,000,120	220,937,707
FEBRUARY	-	348,806,133	197,277,698	178,836,751
MARCH	-	325,495,352	220,734,066	157,759,493
APRIL ⁽⁷⁾	-	326,537,038	290,493,766	227,063,040
MAY	-	327,914,999	291,171,986	216,439,757
JUNE	-	419,046,570	383,572,703	263,800,843

(1) The General Fund cash balance significantly decreases each July generally due to City Council direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings. The City did not pre-fund retirement contributions in FY 2019-2020 and resumed pre-funding in FY 2020-2021.

(2) A General Fund transfer of expenditures of \$34.7 million pending in August 2020 was posted in September 2020.

(3) Due to a posting error, \$71 million in personnel expenditures for two August 2020 pay periods was not captured until September 2020.

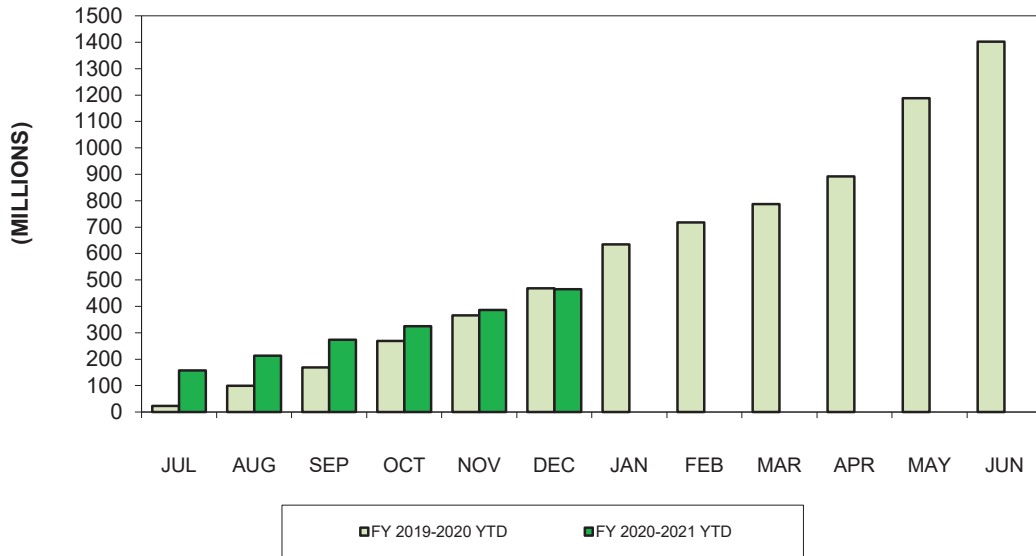
(4) The General Fund paid back the TRAN debt of \$13.5 million in September 2020, \$26.4 million in October 2020, and \$13.2 million in December 2020. There was no TRAN debt payback in FY2019-2020.

(5) The General Fund paid back the ESCO debt of \$13 million and transferred expenditures of \$54.3 million in November 2020.

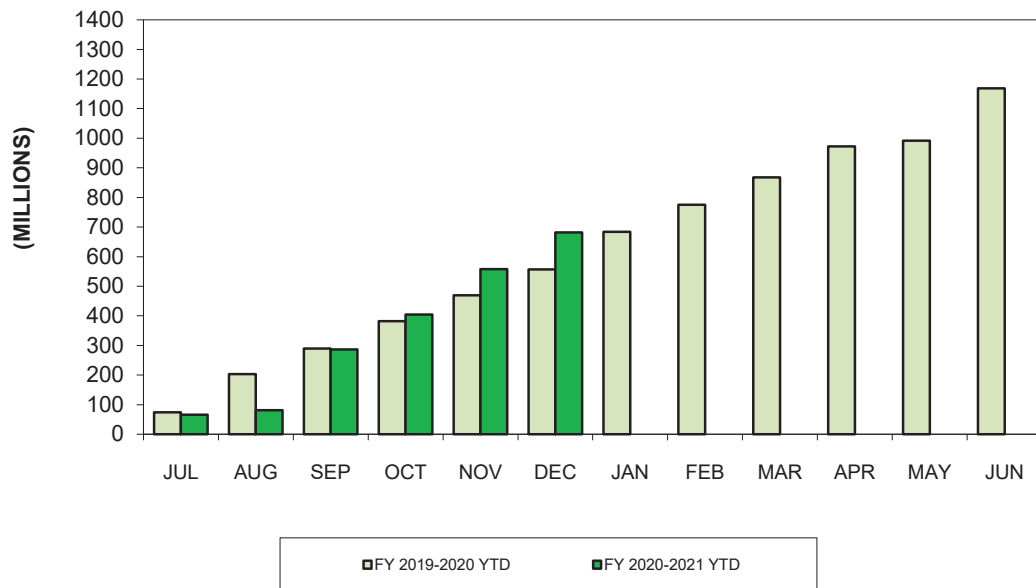
(6) The General Fund transferred \$56M to the newly established Development Funds (Funds 237 - 242) in FY2021. No such transfer occurred for these funds in FY2020. In addition, in FY2020, the Development Funds' revenue of \$30.7M were recorded in General Fund, which is now recorded in the Development Funds in FY2021.

(7) The General Fund cash balance generally increases in January and April of every year mainly due to the receipt of the bi-annual receipt of property taxes from Santa Clara County.

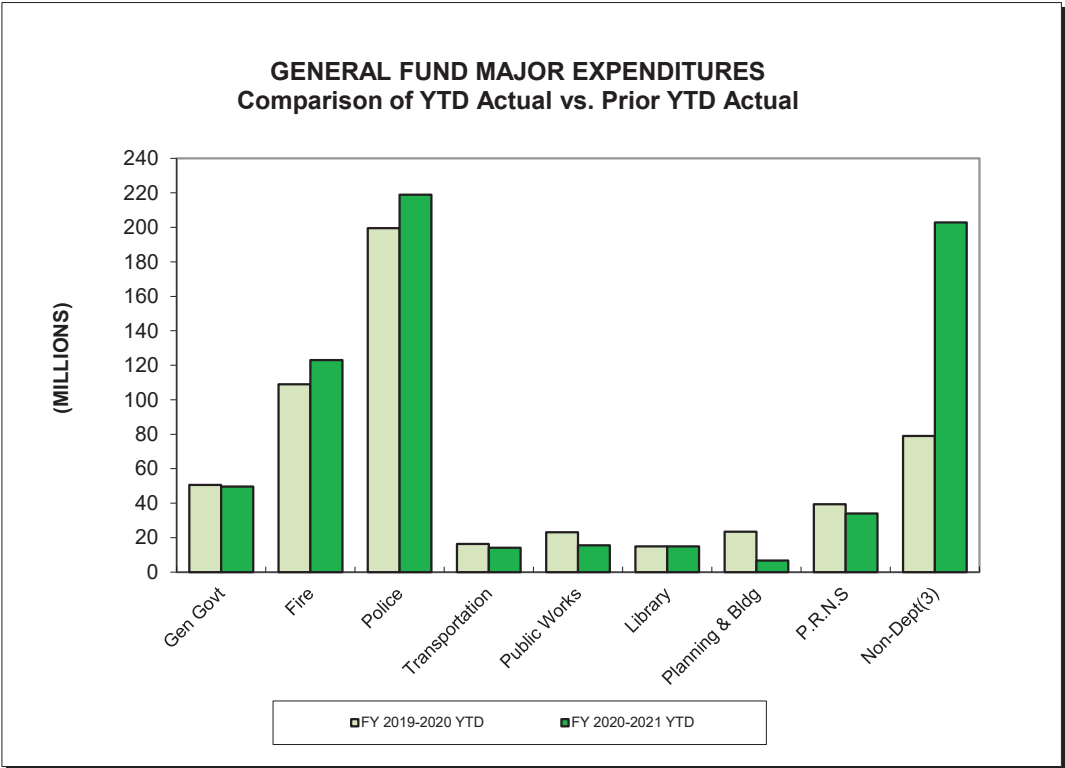
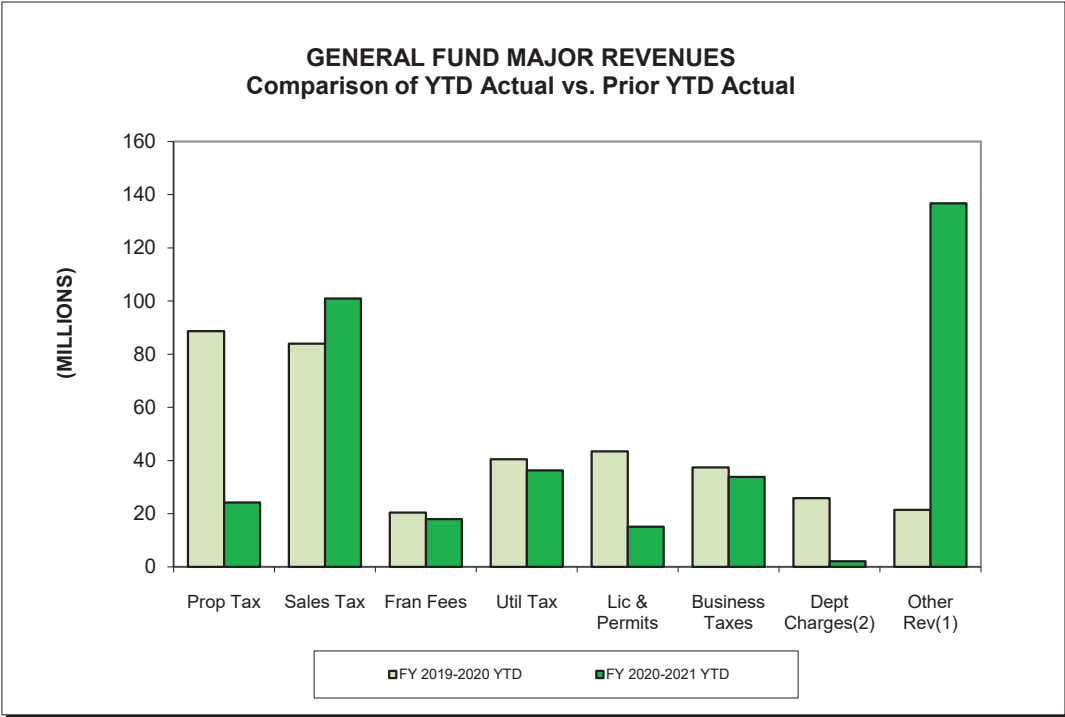
GENERAL FUND
Comparison of YTD Revenues vs. Prior YTD Revenues
Actual



GENERAL FUND
Comparison of YTD Expenditures vs. Prior YTD Expenditures
Actual



Note: 1) Increase in revenues is due to \$130 million received in Tax and Revenue Anticipation Note (TRAN) proceeds.
 2) Due to a recording error, the increase in cash in August 2020 is related to personnel expenditures for two pay periods in August 2020 was not appropriately captured for \$71 million. The error was corrected in September 2020.



Note: 1) Increase in other revenues is due to \$130 million received in Tax and Revenue Anticipation Note (TRAN) proceeds.
 2) Decrease in department revenues is caused by the reversal of amounts accrued in FY19-20 that have not yet been received but are expected to be received shortly thereafter and is also due to a reduction in services due to the COVID-19 shelter-in-place lockdown.
 3) The General Fund paid back the TRAN debt of \$13.5 million in September 2020, \$26.4 million in October 2020, and \$13.2 million in December 2020. There was no TRAN debt payback in FY2019-2020. The General Fund also paid back the ESCO debt of \$13 million in November 2020. There was only \$3 million paid in FY2019-2020.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE MONTHS ENDED DECEMBER 31, 2020**

(UNAUDITED)

(\$ 000's)

	ADOPTED FY 2020-2021 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2020-2021 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Fund Balance											
Prior Year Encumbrances	-	-	46,879	46,879	46,879	100.00%	46,434	105.09%	44,187	445	0.96%
Available Balance	346,336	53,948	-	400,284	400,284	100.00%	364,813	100.00%	364,813	35,471	9.72%
Total Fund Balance	346,336	53,948	46,879	447,163	447,163	100.00%	411,247	100.55%	409,000	35,916	8.73%
General Revenues											
Property Tax	400,500	-	-	400,500	24,229	6.05%	88,642	23.99%	369,507	(64,413)	-72.67%
Sales Tax	242,500	-	-	242,500	100,977	41.64%	84,016	32.24%	260,558	16,961	20.19%
Telephone Line Tax	20,000	-	-	20,000	8,170	40.85%	7,631	36.87%	20,695	539	7.06%
Transient Occupancy Tax	9,000	-	-	9,000	1,912	21.24%	7,364	52.21%	14,104	(5,452)	-74.04%
Franchise Fees	45,921	-	-	45,921	17,938	39.06%	20,399	45.91%	44,436	(2,461)	-12.06%
Utility Tax	95,800	-	-	95,800	36,260	37.85%	40,454	40.65%	99,518	(4,194)	-10.37%
Business Taxes	70,900	(7,000)	-	63,900	33,876	53.01%	37,449	52.88%	70,822	(3,573)	-9.54%
Licenses and Permits	20,023	(129)	-	19,894	15,060	75.70%	43,485	67.40%	64,521	(28,425)	-65.37%
Fines, Forfeits and Penalties	15,730	(6,000)	-	9,730	3,608	37.08%	7,854	54.61%	14,383	(4,246)	-54.06%
Use of Money and Property	11,755	15	-	11,770	4,862	41.31%	6,870	48.40%	14,194	(2,008)	-29.23%
Revenue from Local Agencies	18,195	4,636	-	22,831	4,101	17.96%	7,245	46.26%	15,660	(3,144)	-43.40%
Revenue from State of CA	14,320	245	-	14,565	146	1.00%	7,802	34.66%	22,512	(7,656)	-98.13%
Revenue from Federal Government	3,715	3,871	-	7,586	305	4.02%	359	13.60%	2,639	(54)	-15.04%
Fees, Rates and Charges	25,576	-	-	25,576	2,100	8.21%	25,881	53.29%	48,568	(23,781)	-91.89%
Other Revenues	48,509	126,957	-	175,466	136,773	77.95%	21,481	62.25%	34,505	115,292	536.72%
Total General Revenues	1,042,444	122,596	-	1,165,040	390,317	33.50%	406,932	37.11%	1,096,622	(16,615)	-4.08%
Transfers & Reimbursements											
Overhead Reimbursements	69,198	1,224	-	70,422	43,937	62.39%	42,722	74.95%	57,004	1,215	2.84%
Transfers from Other Funds	27,409	(3,299)	-	24,110	15,666	64.98%	4,533	12.72%	35,629	11,133	245.60%
Reimbursements for Services	15,745	8,405	-	24,150	14,754	61.09%	14,488	89.74%	16,145	266	1.84%
Total Transfers & Reimbursements	112,352	6,330	-	118,682	74,357	62.65%	61,743	56.76%	108,778	12,614	20.43%
Total Sources	1,501,133	182,873	46,879	1,730,885	911,837	52.68%	879,922	54.50%	1,614,400	31,915	3.63%

(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.

Note: Figures may not total due to rounding.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END ACTUAL (1)(*)	CUR YTD LESS	% CHANGE
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		PRIOR YTD LESS	CUR YTD ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ENCUMBR	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	ACTUAL		PRIOR YTD ACTUAL (1)	LESS PRIOR YTD ACTUAL
General Government												
Mayor and Council	16,876	1,735	106	18,717	6,088	57	32.53%	6,231	50.67%	12,298	(143)	-2.29%
City Attorney	16,333	1	1,139	17,473	7,987	1,526	45.71%	8,020	46.96%	17,077	(33)	-0.41%
City Auditor	2,373	(98)	3	2,278	1,044	34	45.83%	1,046	48.90%	2,139	(2)	-0.19%
City Clerk	2,414	38	30	2,482	1,142	42	46.01%	1,003	42.09%	2,383	139	13.86%
City Manager	21,027	(1,518)	1,147	20,656	7,299	1,568	35.34%	8,804	53.21%	16,546	(1,505)	-17.09%
Finance	19,392	(281)	830	19,941	8,799	1,086	44.13%	8,211	45.63%	17,996	588	7.16%
Information Technology	25,791	(277)	2,366	27,880	10,079	2,087	36.15%	9,584	40.77%	23,510	495	5.16%
Human Resources	10,453	(483)	286	10,256	4,087	3,155	39.85%	4,626	45.90%	10,079	(539)	-11.65%
Independent Police Auditor	1,482	2	-	1,484	662	-	44.61%	540	43.06%	1,254	122	22.59%
Office of Economic Development	5,516	(139)	761	6,138	2,522	1,003	41.09%	2,521	48.72%	5,174	1	0.04%
Total General Government	121,657	(1,020)	6,668	127,305	49,709	10,558	39.05%	50,586	46.64%	108,456	(877)	-1.73%
Public Safety												
Fire	243,723	(8,748)	500	235,475	123,055	1,652	52.26%	108,965	55.23%	197,305	14,090	12.93%
Police	455,189	(4,344)	2,864	453,709	218,892	7,975	48.25%	199,494	45.18%	441,511	19,398	9.72%
Total Public Safety	698,912	(13,092)	3,364	689,184	341,947	9,627	49.62%	308,459	48.29%	638,816	33,488	10.86%
Capital Maintenance												
Transportation	37,300	(32)	686	37,954	14,197	1,783	37.41%	16,353	46.18%	35,412	(2,156)	-13.18%
Public Works	36,711	(927)	788	36,572	15,618	1,130	42.70%	23,111	45.27%	51,050	(7,493)	-32.42%
Total Capital Maintenance	74,011	(959)	1,474	74,526	29,815	2,913	40.01%	39,464	45.64%	86,462	(9,649)	-24.45%
Community Service												
Housing	566	(23)	317	860	48	283	5.58%	94	39.00%	241	(46)	-48.94%
Library	36,417	(410)	396	36,403	15,025	4,351	41.27%	14,882	42.01%	35,424	143	0.96%
Planning, Bldg & Code Enf.	15,951	180	833	16,964	6,750	670	39.79%	23,518	45.74%	51,422	(16,768)	-71.30%
Parks, Rec & Neigh Svcs	82,255	(2,725)	1,916	81,446	34,112	5,911	41.88%	39,431	49.92%	78,996	(5,319)	-13.49%
Environmental Services	4,730	(311)	276	4,695	1,422	1,171	30.29%	1,618	51.15%	3,163	(196)	-12.11%
Total Community Services	139,919	(3,289)	3,738	140,368	57,357	12,386	40.86%	79,543	47.00%	169,246	(22,186)	-27.89%
Total Dept. Expenditures	1,034,499	(18,360)	15,244	1,031,383	478,828	35,484	46.43%	478,052	47.66%	1,002,980	776	0.16%

(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		ACTUAL (1)(*)	PRIOR YTD
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			OF BUDGET	ACTUAL (1)(*)	ACTUAL	ACTUAL (1)(*)	ACTUAL (1)	ACTUAL
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop.	19,773	7,711	5,674	33,158	8,348	8,650	25.18%	9,240	48.46%	19,069	(892)	-9.65%
Environmental & Utility Services	2,069	263	61	2,393	1,285	153	53.70%	1,054	55.18%	1,910	231	21.92%
Public Safety	22,722	6,933	1,347	31,002	9,907	1,161	31.96%	8,448	42.75%	19,760	1,459	17.27%
Recreation & Cultural Services	14,244	11,746	565	26,555	3,701	2,656	13.94%	3,434	36.98%	9,285	267	7.78%
Transportation Services	4,422	395	13	4,830	1,133	13	23.46%	1,215	36.42%	3,336	(82)	-6.75%
Strategic Support	60,383	165,834	3,430	229,647	77,039	3,950	33.55%	9,857	32.26%	30,554	67,182	681.57%
Total City-wide Expenditures	123,613	192,883	11,090	327,586	101,413	16,583	30.96%	33,248	39.62%	83,914	68,165	205.02%
Other Non-Dept Expenditures:												
Capital Improvements	54,442	3,417	20,545	78,404	12,409	15,014	15.83%	8,023	24.28%	33,048	4,386	54.67%
Transfers to Other Funds	74,103	14,947	-	89,050	89,050	-	100.00%	37,708	77.01%	48,967	51,342	136.16%
Total Non-Dept Expenditures	252,158	211,246	31,635	495,039	202,872	31,597	40.98%	78,979	47.60%	165,929	123,893	156.87%
Reserves												
Contingency Reserve	40,000	-	-	40,000	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	174,477	(10,014)	-	164,463	-	-	0.00%	-	0.00%	-	-	0.00%
Total Reserves	214,477	(10,014)	-	204,463	-	-	0.00%	-	0.00%	-	-	0.00%
Total Uses	1,501,133	182,873	46,879	1,730,885	681,700	67,081	39.38%	557,031	47.65%	1,168,909	124,669	22.38%

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Note: Figures may not total due to rounding.

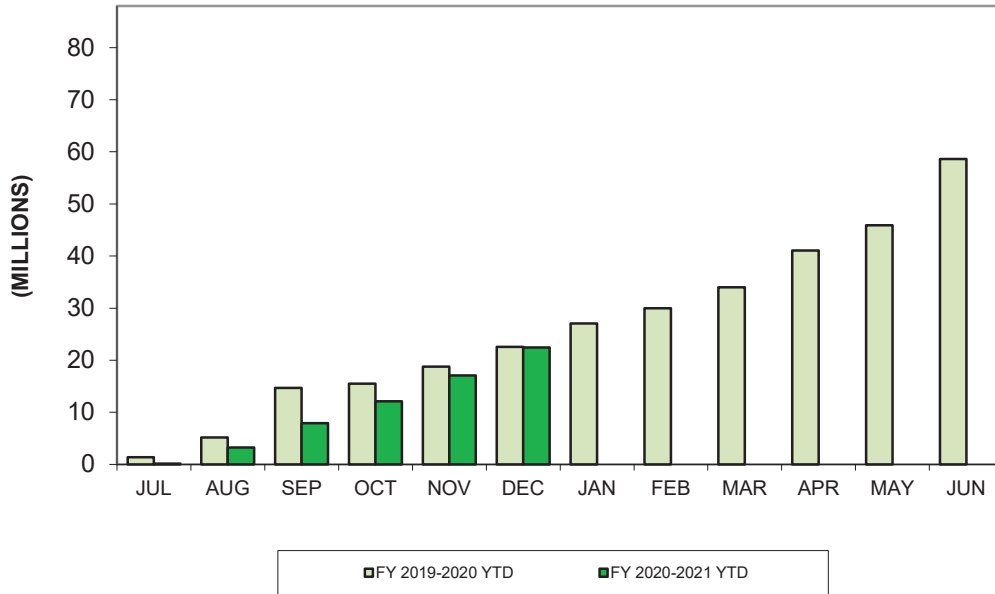
CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

	ADOPTED	YTD		REVISED	CUR	CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-	CUR YTD LESS	% CHANGE
	FY 2020-2021	BUDGET	C/O	FY 2020-2021	YTD	ACTUAL %	YTD	OF PRIOR	END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL (*)	OF BUDGET	ACTUAL (*)	YEAR-END	ACTUAL (*)	ACTUAL	LESS PRIOR YTD
								ACTUAL			ACTUAL
Police	912	-	-	912	331	36.29%	645	67.75%	952	(314)	-48.68%
Public Works	-	-	-	-	(881)	0.00%	5,360	32.16%	16,668	(6,241)	-116.44%
Transportation	2,324	-	-	2,324	511	21.99%	1,680	70.89%	2,370	(1,169)	-69.58%
Library	224	-	-	224	20	8.93%	115	68.45%	168	(95)	-82.61%
Planning, Bldg & Code Enforcement	-	-	-	-	-	0.00%	3,803	55.59%	6,841	(3,803)	-100.00%
Parks Rec & Neigh Svcs	18,075	-	-	18,075	553	3.06%	10,278	72.34%	14,207	(9,725)	-94.62%
Miscellaneous Dept Charges	4,041	-	-	4,041	1,566	38.75%	4,000	54.33%	7,362	(2,434)	-60.85%
Total Fees, Rates, and Charges	25,576	-	-	25,576	2,100	8.21%	25,881	53.29%	48,568	(23,781)	-91.89%

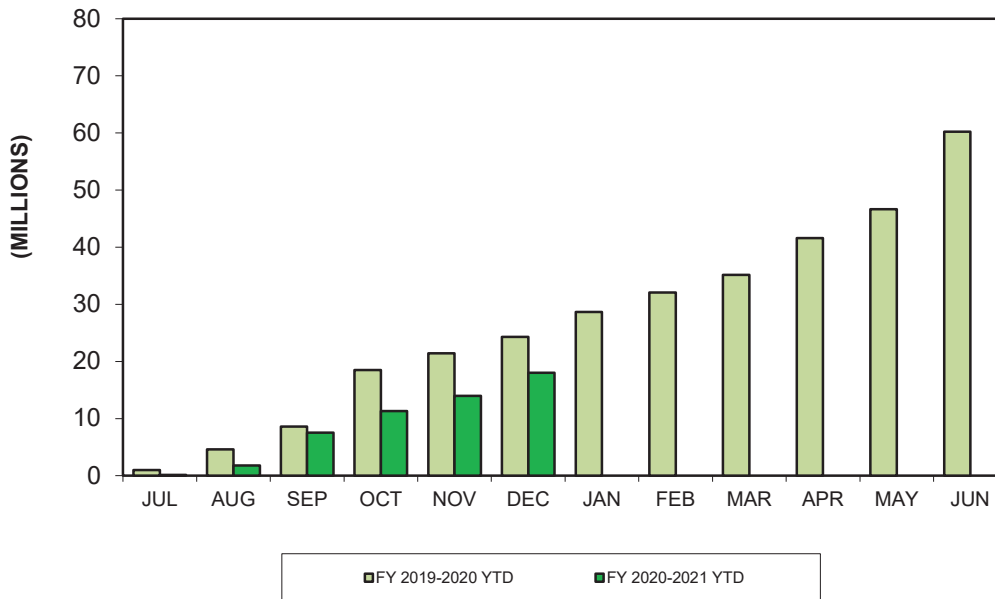
() - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.*

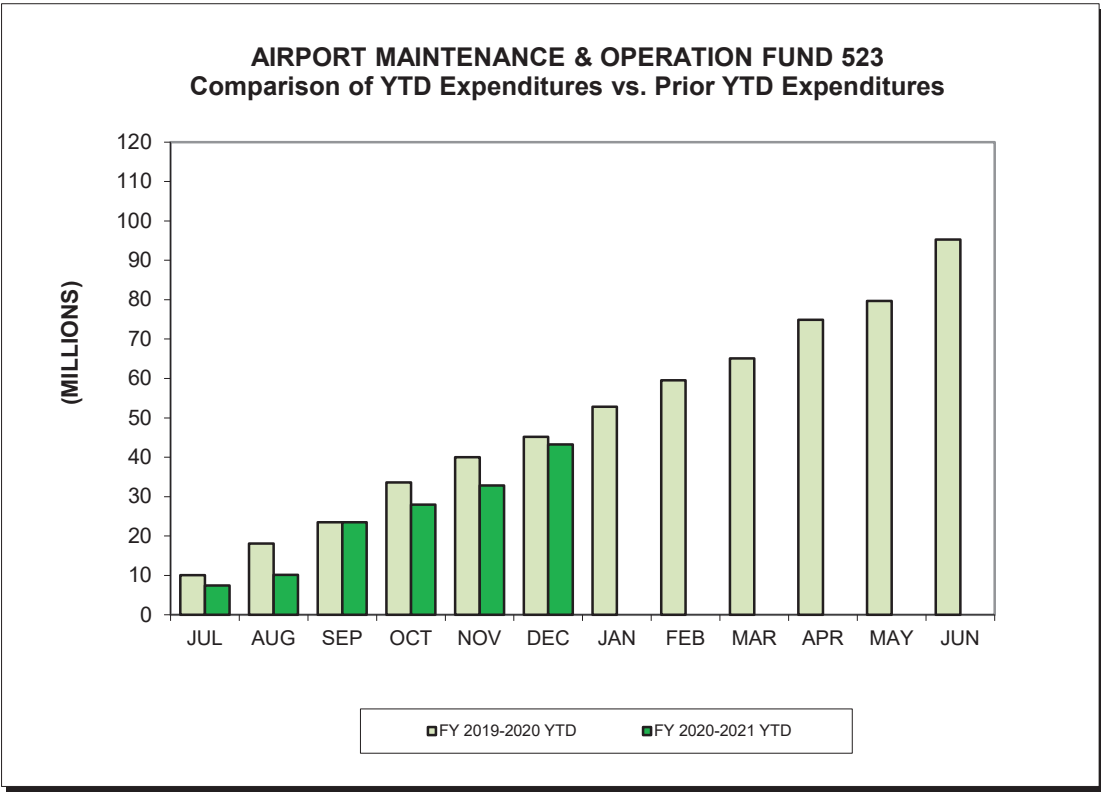
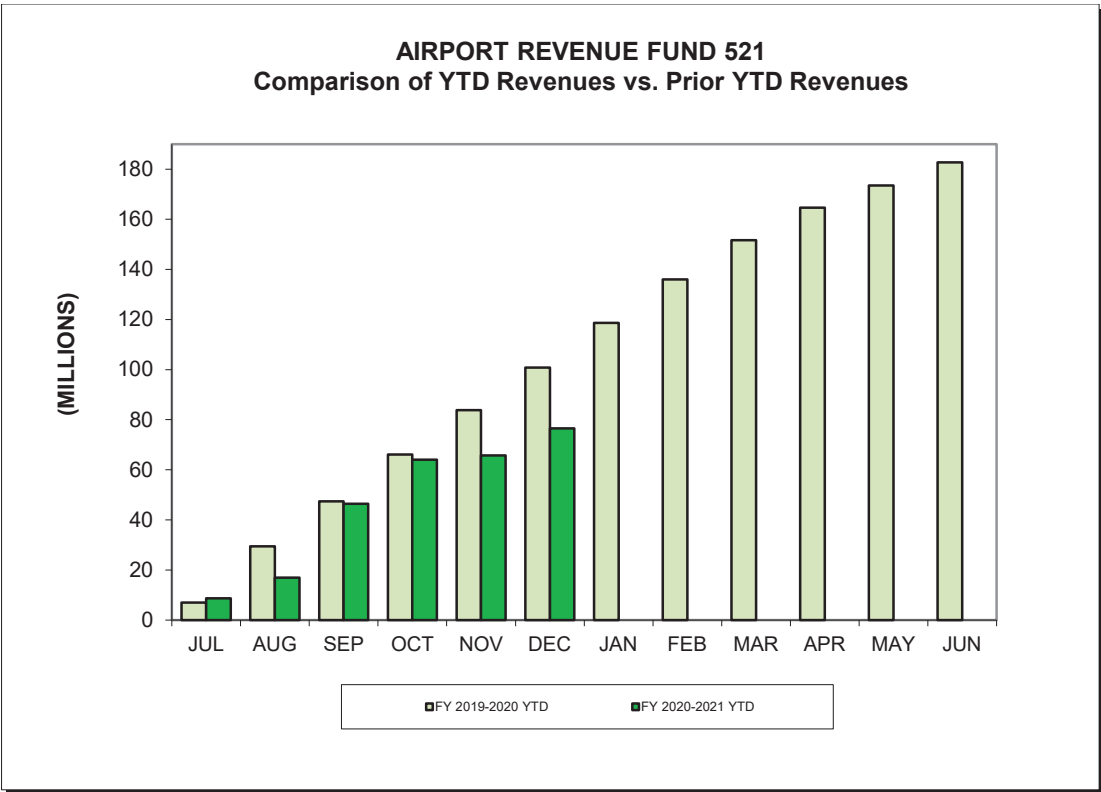
Note: Figures may not total due to rounding.

**CONSTRUCTION & CONVEYANCE TAX FUNDS 377-378 & 380-398
Comparison of YTD Revenues vs. Prior YTD Revenues**



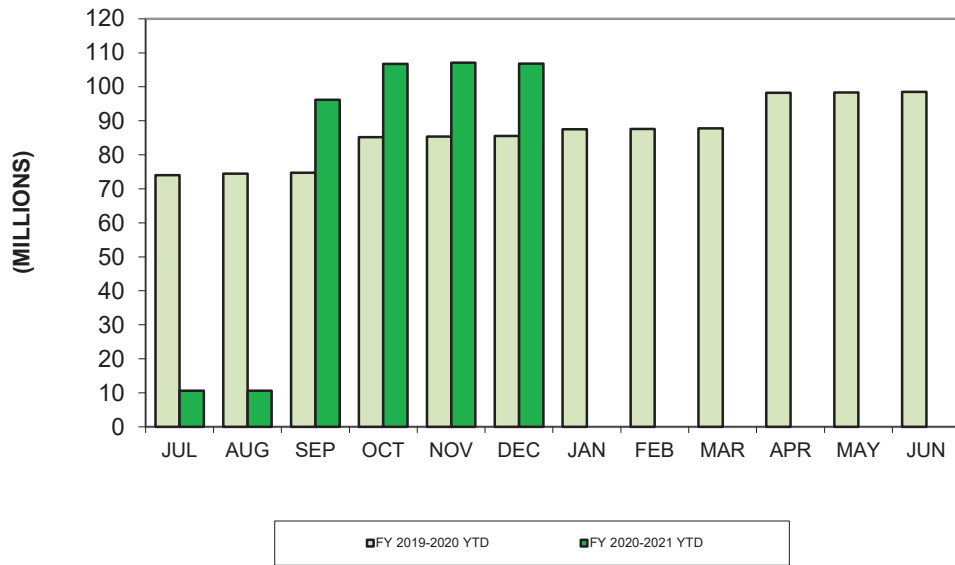
**CONSTRUCTION & CONVEYANCE TAX FUNDS 377-378 & 380-398
Comparison of YTD Expenditures vs. Prior YTD Expenditures**



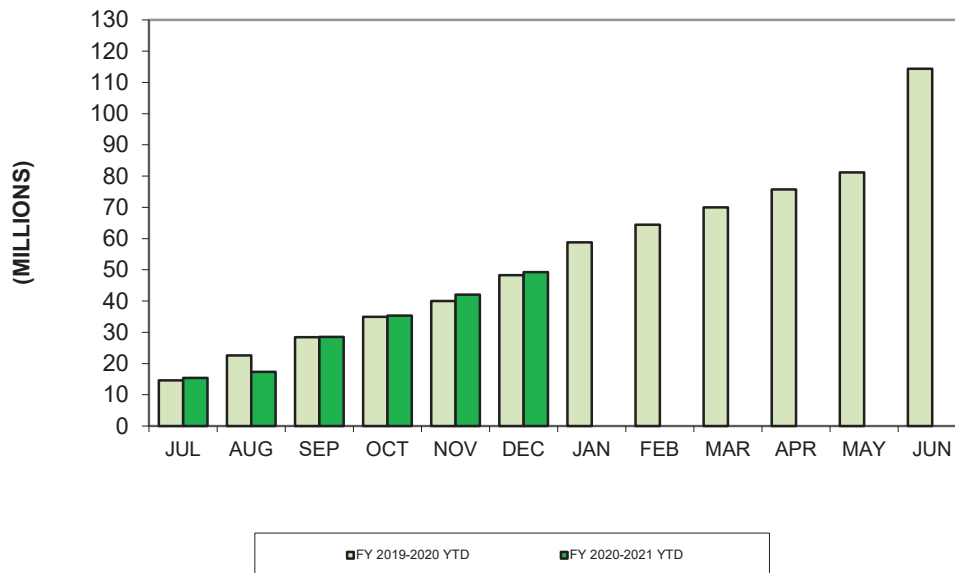


Note: (1) The graphs above include the Airport Revenue Fund (521) and Airport Maintenance & Operation Fund (523) only.
 (2) The Airport received CARES Act Grant of \$18.9 million in September 2020 and \$7.8 million in October 2020.

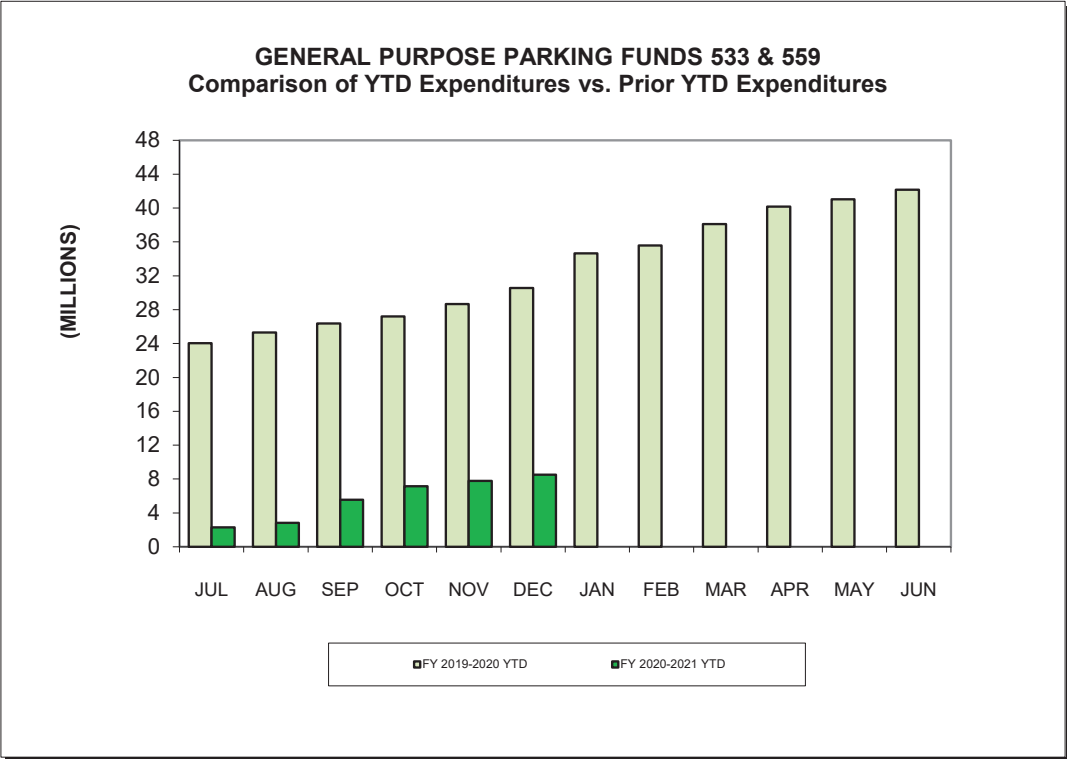
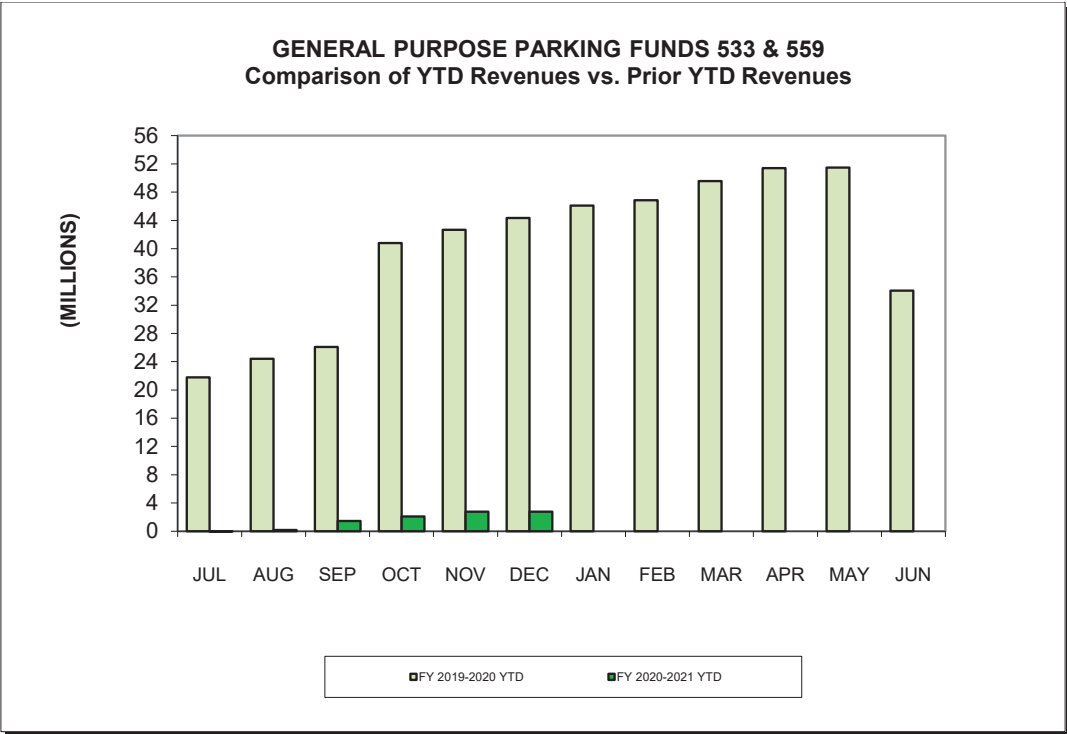
**WPCP OPERATION FUND 513
Comparison of YTD Revenues vs. Prior YTD Revenues**



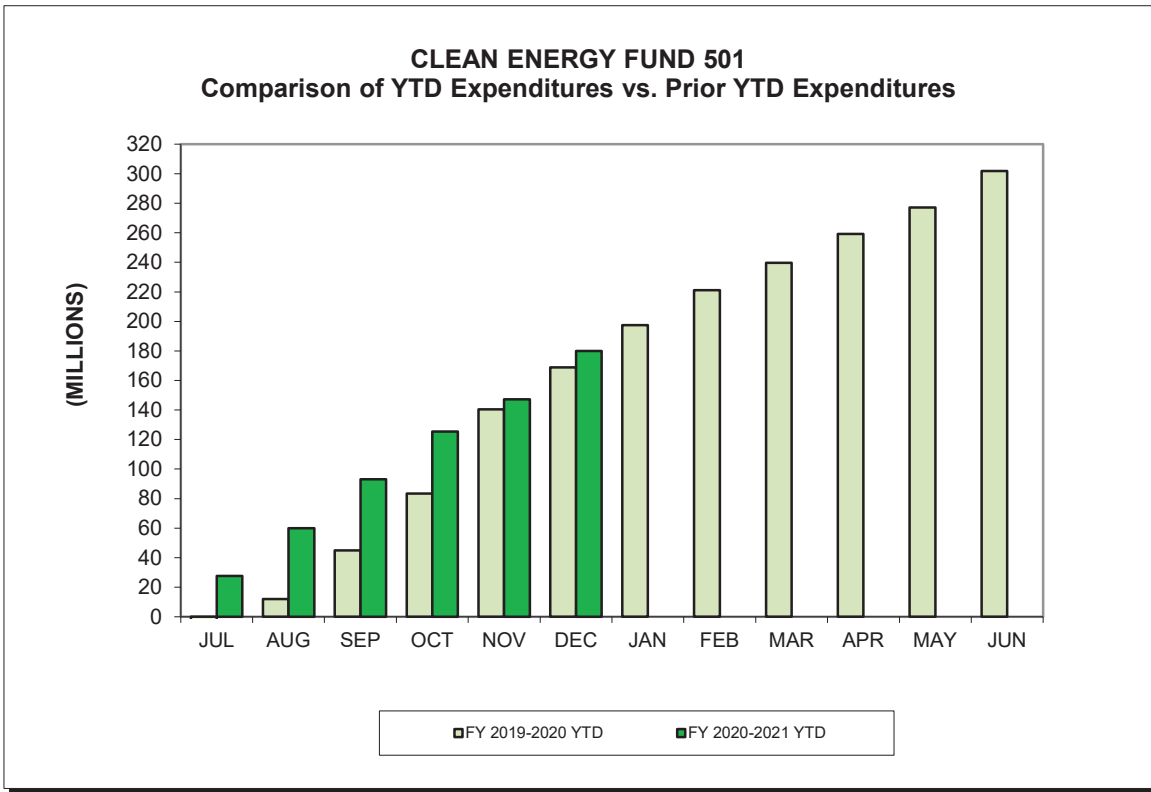
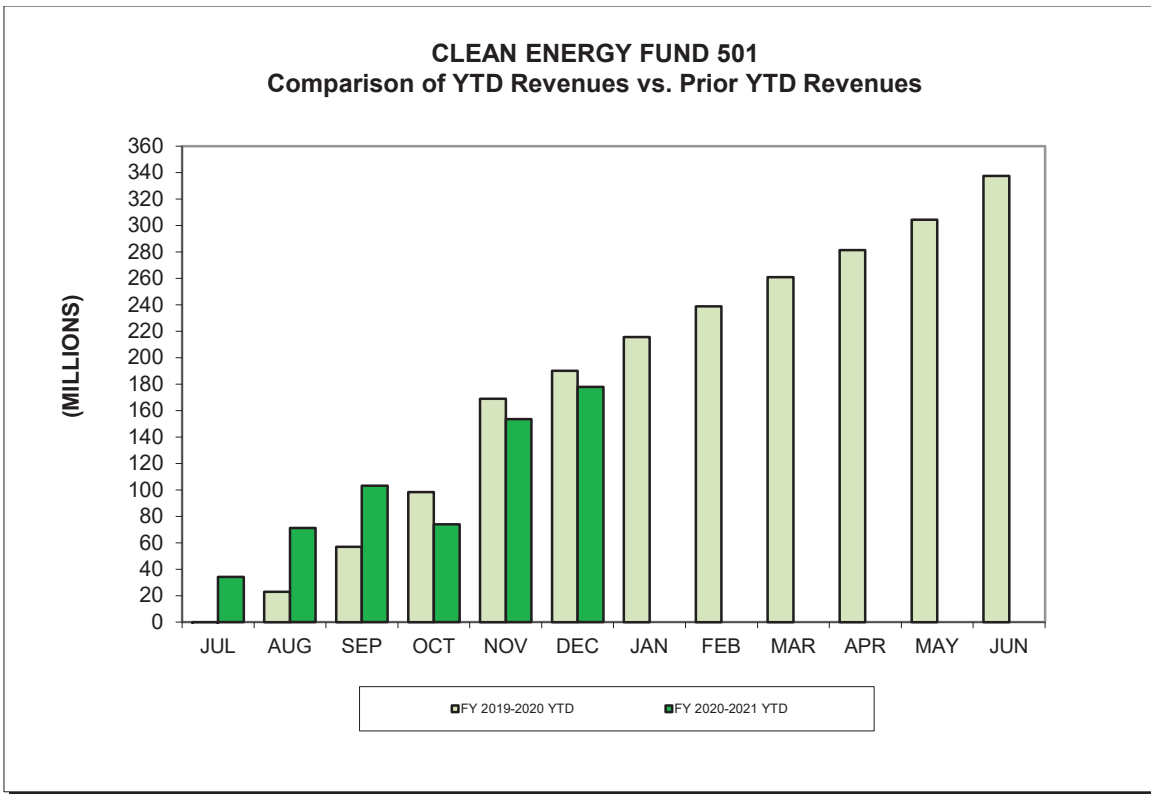
**WPCP OPERATION FUND 513
Comparison of YTD Expenditures vs. Prior YTD Expenditures**



Note: Increase in revenues is due to \$85.5 million transferred in from Sewer Service & Use Charge Fund (541) in Sept. 2020. whereas, there was \$64 million transfer in July 2019.



Note: The decrease in revenues and expenditures is due to the temporary closing of many parking lots and the decrease in number of tickets issued for parking violations. In addition, there is a total of \$13.1 million encumbrance in the funds pending until the Shelter-In-Place due to the COVID-19 has been revoked/gone.



Note: The Clean Energy Fund is the newest enterprise fund established in FY 2017-2018 to account for revenues from the sale of electricity and the costs associated with the Clean Energy Program. The power sales revenue started in November 2018 and steadily grew over time.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	-	-	5,290	5,290	5,290	-	7,453
Beginning Fund Balance	69,499	15,677	-	85,176	85,176	-	84,521
Revenues	48,600	10	-	48,610	22,448	-	22,585
Total Sources	118,099	15,687	5,290	139,076	112,914	-	114,559
Total Uses	118,099	15,687	5,290	139,076	18,006	9,711	24,284
Airport							
Prior Year Encumbrance	-	-	20,461	20,461	20,461	-	16,045
Beginning Fund Balance	256,546	(4,720)	-	251,826	251,826	-	277,085
Revenues	522,722	(17,161)	-	505,561	194,290	-	274,027
Total Sources	779,268	(21,881)	20,461	777,848	466,577	-	567,157
Total Uses	779,268	(21,881)	20,461	777,848	177,535	47,599	213,883
Waste Water Treatment							
Prior Year Encumbrance	-	-	313,015	313,015	313,015	-	214,068
Beginning Fund Balance	274,670	(118,450)	-	156,220	156,220	-	217,488
Revenues	549,252	146,884	-	696,136	373,122	-	361,060
Total Sources	823,922	28,434	313,015	1,165,371	842,357	-	792,616
Total Uses	823,922	28,434	313,015	1,165,371	292,934	307,179	264,546
Parking							
Prior Year Encumbrance	-	-	9,548	9,548	9,548	-	9,808
Beginning Fund Balance	38,963	811	-	39,774	39,774	-	29,496
Revenues	15,077	(2,000)	-	13,077	2,769	-	44,329
Total Sources	54,040	(1,189)	9,548	62,399	52,091	-	83,633
Total Uses	54,040	(1,189)	9,548	62,399	8,520	13,096	30,557
Municipal Water							
Prior Year Encumbrance	-	-	6,966	6,966	6,966	-	2,367
Beginning Fund Balance	28,295	1,151	-	29,446	29,446	-	30,640
Revenues	60,401	-	-	60,401	31,759	-	27,090
Total Sources	88,696	1,151	6,966	96,813	68,171	-	60,097
Total Uses	88,696	1,151	6,966	96,813	32,547	6,849	25,323

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
Community Energy							
Prior Year Encumbrance	-	-	3,430	3,430	3,430	-	4,549
Beginning Fund Balance	42,890	7,636	-	50,526	50,526	-	13,685
Revenues	332,750	-	-	332,750	177,840	-	190,103
Total Sources	375,640	7,636	3,430	386,706	231,796	-	208,337
Total Uses	375,640	7,636	3,430	386,706	179,908	47,174	168,931
Gas Tax							
Revenues	15,000	-	-	15,000	7,089	-	7,161
Total Sources	15,000	-	-	15,000	7,089	-	7,161
Total Uses	15,000	-	-	15,000	5,587	-	5,772
Building and Structures							
Prior Year Encumbrance	-	-	6,353	6,353	6,353	-	4,950
Beginning Fund Balance	72,626	21,435	-	94,061	94,061	-	55,968
Revenues	62,797	(4,210)	-	58,587	18,524	-	30,249
Total Sources	135,423	17,224	6,353	159,000	118,938	-	91,167
Total Uses	135,423	17,224	6,353	159,000	10,882	9,477	8,308
Residential Construction							
Beginning Fund Balance	2,153	351	-	2,504	2,504	-	2,336
Revenues	245	-	-	245	123	-	147
Total Sources	2,398	351	-	2,749	2,627	-	2,483
Total Uses	2,398	351	-	2,749	31	-	29
Transient Occupancy Tax							
Prior Year Encumbrance	-	-	984	984	984	-	667
Beginning Fund Balance	2,368	1,916	-	4,284	4,284	-	9,098
Revenues	13,605	-	-	13,605	2,826	-	11,079
Total Sources	15,973	1,916	984	18,873	8,094	-	20,844
Total Uses	15,973	1,916	984	18,873	10,089	2,916	28,039
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	294	294	294	-	109
Beginning Fund Balance	4,046	6,394	-	10,440	10,440	-	15,717
Revenues	9,600	442	-	10,042	10,260	-	33,036
Total Sources	13,646	6,836	294	20,776	20,994	-	48,862
Total Uses	13,646	6,836	294	20,776	10,807	1,593	20,484

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Golf							
Beginning Fund Balance	725	762	-	1,487	1,487	-	712
Revenues	10,013	-	-	10,013	10,462	-	8,702
Total Sources	10,738	762	-	11,500	11,949	-	9,414
Total Uses	10,738	762	-	11,500	1,196	-	2,017
CARES Act							
Prior Year Encumbrance	-	-	8,043	8,043	8,043	-	-
Beginning Fund Balance	99,045	896	-	99,941	99,941	-	-
Revenues	-	800	-	800	724	-	-
Total Sources	99,045	1,696	8,043	108,784	108,708	-	-
Total Uses	99,045	1,696	8,043	108,784	64,213	18,129	-
Other Funds							
Prior Year Encumbrance	-	-	72,978	72,978	72,978	-	37,118
Beginning Fund Balance	453,389	(56,658)	-	396,731	396,731	-	439,013
Revenues	530,658	78,401	-	609,059	407,374	-	338,366
Total Sources	984,047	21,743	72,978	1,078,768	877,083	-	814,497
Total Uses	984,047	21,743	72,978	1,078,768	255,004	186,749	239,163

Note: Figures may not total due to rounding.

CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction Excise							
Prior Year Encumbrance	-	-	43,657	43,657	43,657	-	79,768
Beginning Fund Balance	279,647	(8,682)	-	270,965	270,965	-	47,763
Revenues	106,237	21,271	-	127,508	38,920	-	36,620
Total Sources	385,884	12,589	43,657	442,130	353,542	-	164,151
Total Uses	385,884	12,589	43,657	442,130	62,104	51,645	102,087
Other							
Prior Year Encumbrance	-	-	615	615	615	-	1,398
Beginning Fund Balance	29,693	(112)	-	29,581	29,581	-	22,839
Revenues	299	1,650	-	1,949	19	-	179
Total Sources	29,992	1,538	615	32,145	30,215	-	24,416
Total Uses	29,992	1,538	615	32,145	2,185	2,339	20,039

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED DECEMBER 31, 2020
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Trust and Agency							
Prior Year Encumbrance	-	-	114	114	114	-	67
Beginning Fund Balance	6,735	3,473	-	10,208	10,208	-	10,623
Revenues	4,722	282	-	5,004	3,111	-	4,463
Total Sources	<u>11,457</u>	<u>3,755</u>	<u>114</u>	<u>15,326</u>	<u>13,433</u>	<u>-</u>	<u>15,153</u>
Total Uses	<u>11,457</u>	<u>3,755</u>	<u>114</u>	<u>15,326</u>	<u>581</u>	<u>184</u>	<u>2,869</u>

Note: Figures may not total due to rounding.