

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT CAPITAL IMPVT FUND (520)				
<i>Ending Fund Balance Adjustment</i>	Airport Capital Program		(\$128,000)	
This action decreases the Ending Fund Balance by \$128,000 to offset the actions recommended below.				
<i>Taxiway W Improvements/Earned Revenue – TSA/FAA Grants</i>	Airport Capital Program		(\$200,000)	(\$328,000)
This action decreases the Taxiway W Improvements appropriation by \$200,000 and the estimate for Earned Revenue by \$328,000. Federal Aviation Administration (FAA) grant funding was awarded for the construction of Phase III of the Taxiway W Improvements project. Based on lower than budgeted project costs, this action recommends aligning budgeted grant revenues and expenditures to reflect actual Phase III project costs.				
TOTAL AIRPORT CAPITAL IMPVT FUND (520)			(\$328,000)	(\$328,000)
AIRPORT CUST FAC & TRANS FD (519)				
<i>Future Debt Service Reserve</i>	Airport		\$1,354,319	
This action increases the Future Debt Service Reserve to offset the actions recommended in this report.				
<i>Transfer from the Airport Revenue Bond Improvement Fund</i>	Airport			\$949,794
This action recognizes a Transfer from the Airport Revenue Bond Improvement Fund to the Airport Customer Facility and Transportation Fee Fund in the amount of \$949,794. In November 2013, the Airport completed the Customer Facility Charges audit, which reconciled actual project costs and bond issuance for the Consolidated Rental Car Garage (ConRAC). As a result of the audit, Airport staff determined that the Series 2011B Bond issuance was higher than necessary to refund the taxable commercial paper notes, which were originally issued to fund the design and construction of the ConRAC. Since the 2011B Bond debt service is fixed and is the responsibility of the Rental Car Agencies (RACs), this recommendation will return the excess funding to the RACs. A corresponding adjustment in the Airport Revenue Bond Improvement Fund establishing the transfer to this fund is also recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT CUST FAC & TRANS FD (519)				
<i>Transfer to the Airport Surplus Revenue Fund</i>	Airport		(\$404,525)	
<p>This action decreases the Transfer to the Airport Surplus Revenue Fund from the Airport Customer Facility and Transportation Fee Fund by \$404,525. In 2011, the Series 2011B Bonds were issued to refund the taxable commercial paper notes (CP) used to fund the design and construction of the Consolidated Rental Car Garage (ConRAC). In 2012-2013, additional ConRAC costs in the amount of \$404,525 were incurred after this bond issuance, which increased the responsibility of the RACs. Adjustments to refund CP for these expenditures were approved as part of the 2012-2013 Annual Report. In November 2013, the Airport completed the Customer Facility Charges audit, which reconciled actual project costs and bond issuance for the ConRAC. The audit determined that the Series 2011B Bond issuance is sufficient to fund the additional 2012-2013 ConRAC costs; therefore, the actions in the Annual Report can be reversed. A corresponding adjustment in the Airport Surplus Revenue Fund is also recommended in this report.</p>				
TOTAL AIRPORT CUST FAC & TRANS FD (519)			\$949,794	\$949,794
AIRPORT MAINT & OPER FUND (523)				
<i>Office of Economic Development Non-Personal/Equipment – Public Art Maintenance</i>	Airport		\$5,000	
<p>This action establishes the Office of Economic Development’s Non-Personal/Equipment appropriation in the Airport Maintenance and Operation Fund in the amount of \$5,000. This recommendation provides contractual services funding for the maintenance of existing Public Art exhibits at the Norman Y. Mineta San José International Airport (SJC). A corresponding decrease to the Operations Contingency appropriation is also recommended in this report.</p>				
<i>Office of Economic Development Personal Services</i>	Airport		\$32,000	
<p>This action increases the Office of Economic Development’s Personal Services appropriation in the Airport Maintenance and Operation Fund by \$32,000. This increase provides funding for the oversight and management of existing Public Art exhibits located at SJC. A corresponding decrease to the Operations Contingency appropriation is also recommended in this report.</p>				
<i>Operations Contingency</i>	Airport		(\$37,000)	
<p>This action decreases the Operations Contingency appropriation to offset the actions recommended in this report.</p>				
TOTAL AIRPORT MAINT & OPER FUND (523)			\$0	\$0
AIRPORT REV BOND IMP FUND (526)				
<i>Ending Fund Balance Adjustment</i>	Airport Capital Program		(\$976,632)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT REV BOND IMP FUND (526)				
<i>Taxiway W Improvements</i>	Airport Capital Program		(\$1,371,000)	
<p>This action decreases the local match portion of funding in the Taxiway W Improvements appropriation by \$1,371,000 to align the budget with actual expenditures. Actual Phase III costs were lower than budgeted. An action to decrease the grant funded portion of this project in the Airport Capital Improvement Fund is also recommended in this report.</p>				
<i>Transfer to the Airport Customer Facility and Transportation Fee Fund</i>	Airport Capital Program		\$949,794	
<p>This action establishes a Transfer to the Airport Customer Facility and Transportation Fee Fund from the Airport Revenue Bond Improvement Fund in the amount of \$949,794. In November 2013, the Airport completed the Customer Facility Charges audit, which reconciled actual project costs and bond issuance for the Consolidated Rental Car Garage (ConRAC). As a result of the audit, Airport staff determined that the Series 2011B Bond issuance was higher than necessary to refund the taxable commercial paper notes, which were originally issued to fund the design and construction of the ConRAC. Since the 2011B Bond debt service is fixed and is the responsibility of the Rental Car Agencies (RACs), this recommendation will return the excess funding to the RACs. A corresponding adjustment in the Airport Customer Facility and Transportation Fee Fund is also recommended in this report.</p>				
<i>Transfer to the Airport Surplus Revenue Fund</i>	Airport Capital Program		\$1,397,838	
<p>This action establishes a Transfer to the Airport Surplus Revenue Fund from the Airport Revenue Bond Improvement Bond in order to repay outstanding Taxable Series C Commercial Paper Program. In August 2013, Airport received a partial refund from the American International Group for the Terminal Area Improvement Program (TAIP) Owner-Controlled Insurance Program (OCIP) claims loss reserve, which was established with Taxable Series C Commercial Paper notes. This recommendation applies this refund to the Taxable Series C Commercial Paper Program previously used to fund the TAIP OCIP claims loss reserve. A corresponding increase in the Airport Surplus Revenue Fund is also recommended in this report.</p>				
TOTAL AIRPORT REV BOND IMP FUND (526)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT SURPLUS REV FD (524)				
<p><i>Commercial Paper Principal and Interest/Transfer from the Airport Customer Facility and Transportation Fee Fund</i></p> <p>This action decreases the Commercial Paper Principal and Interest appropriation and the Transfer from the Airport Customer Facility and Transportation Fee Fund by \$404,525. In 2011, the Series 2011B Bonds were issued to refund the taxable commercial paper notes (CP) used to fund the design and construction of the Consolidated Rental Car Garage (ConRAC). In 2012-2013, additional ConRAC costs in the amount of \$404,525 were incurred after this bond issuance, which increased the responsibility of the RACs. Adjustments to refund CP to pay for this additional expenditure were approved as part of the 2012-2013 Annual Report. In November 2013, the Airport completed the Customer Facility Charges audit, which reconciled actual project costs and bond issuance for the ConRAC. The audit determined that the Series 2011B Bond issuance is sufficient to fund the additional 2012-2013 ConRAC costs; therefore, the actions in the Annual Report can be reversed. A corresponding adjustment in the Airport Customer Facility and Transportation Fee Fund is also recommended in this report.</p>	Airport		(\$404,525)	(\$404,525)
<p><i>Commercial Paper Principal and Interest/Transfer from the Airport Revenue Bond Improvement Fund</i></p> <p>This action increases the Commercial Paper Principal and Interest appropriation by \$1,397,838 and establishes a Transfer from the Airport Revenue Bond Improvement Fund to the Airport Surplus Revenue Fund to reflect the partial refund of Taxable Series C Commercial Paper notes used to establish the TAIP OCIP claims loss reserve. This recommendation applies this refund to the Taxable Series C Commercial Paper Program previously used to fund the TAIP OCIP claims loss reserve.</p>	Airport		\$1,397,838	\$1,397,838
TOTAL AIRPORT SURPLUS REV FD (524)			\$993,313	\$993,313
BENEFIT FUND (160)				
<p><i>401(a) Defined Contribution Retirement Plan/Transfers</i></p> <p>This action increases the 401(a) Defined Contribution Retirement Plan appropriation for the Defined Contribution Retirement Plan for Unit 99 employees by \$31,000 (from \$25,000 to \$56,000). Based on current tracking, it is anticipated that the City's contributions to the Tier 3 401(a) retirement plan will exceed the current budget due to an increase in newly hired employees in Unit 99 opting into Tier 3 in lieu of Tier 2B. A recommended increase to the estimate for Transfers is included to offset this action and reflects the increase in transfers from various city funds to pay the City's portion of this budget.</p>	Human Resources		\$31,000	\$31,000
<p><i>FICA-Medicare/Transfers</i></p> <p>This action increases the FICA-Medicare appropriation and revenue estimate for Transfers from various City funds by \$191,000 (from \$6,370,000 to \$6,561,000) to reflect higher than anticipated expenditures as a result of higher staffing costs in this category than assumed in the development of the 2013-2014 Adopted Budget.</p>	Human Resources		\$191,000	\$191,000

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BENEFIT FUND (160)				
<i>PTC 457/Transfers</i>	Human Resources		\$30,000	\$30,000
<p>This action increases the Part-Time, Temporary, and Contractual (PTC) 457 (Deferred Compensation Retirement Plan) appropriation and revenue estimate for Transfers from various City funds by \$30,000 (from \$900,000 to \$930,000) to reflect expenditures that are higher than anticipated, as a result of increased PTC staffing levels, in the development of the 2013-2014 Adopted Budget.</p>				
TOTAL BENEFIT FUND (160)			\$252,000	\$252,000
BLDG & STRUCT CONST TAX FD (429)				
<i>Earned Revenue - Building and Structure Construction Tax</i>	Traffic Capital Program			\$8,000,000
<p>This action increases the Building and Structure Construction Tax revenue estimate by \$8.0 million, from \$11.0 million to \$19.0 million. Through December 2013, Building and Structure Construction Tax receipts totaled \$12.5 million and have exceeded the annual budgeted estimate of \$11.0 million. The increased revenue collections are primarily due to large projects underway, which include the construction of the San Jose Earthquakes soccer stadium, the Samsung Semiconductor facility in North San José, and commercial and residential development at the "Hitachi site", located at the northeast corner of Highway 85 and Cottle Road. The additional estimated revenue is recommended to be allocated to a Future Projects Reserve (\$7.5 million) and to provide the local grant match for several projects (\$500,000), as described elsewhere in this report.</p>				
<i>Earned Revenue - San Carlos Streetscape Improvements</i>	Traffic Capital Program			\$25,000
<p>This action increases the estimate for Earned Revenue to recognize grant funding for the San Carlos Streetscape Improvements project by \$25,000, which will align the total grant amount that is anticipated to be received.</p>				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		\$25,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Future Projects Reserve</i>	Traffic Capital Program		\$7,500,000	
<p>This action establishes a Future Projects Reserve in the amount of \$7.5 million that will be recommended for allocation as part of the 2015-2019 Proposed Capital Improvement Program. This Reserve is recommended to be funded by additional Building and Structure Construction Tax revenue that is anticipated to be received by year-end.</p>				
<i>Ocala Avenue Pedestrian Improvements</i>	Traffic Capital Program		\$100,000	
<p>This action establishes an Ocala Avenue Pedestrian Improvements appropriation in the amount of \$100,000 to begin initial design work. The Highway Safety Improvements Program awarded a grant to the City of San José to make various pedestrian improvements on Ocala Avenue. The multi-year grant award is \$1.4 million with a \$378,000 local match. This action provides funding for a portion of the local match in the amount of \$100,000 for 2013-2014 and will be offset by additional Building and Structure Construction Tax revenue, as recommended elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<p><i>San Carlos Street Multimodal Streetscape Improvements Phase II</i></p> <p>This action increases funding for the San Carlos Street Multimodal Streetscape Improvements Phase II project in the amount of \$300,000 to address unforeseen repairs of structural beams in two basements that must be completed prior to the start of the project construction. To offset this action, a corresponding decrease to the Ending Fund Balance is also recommended in this report.</p>	Traffic Capital Program		\$300,000	
<p><i>St. John Bike/Pedestrian Improvements</i></p> <p>This action establishes a St. John Bike/Pedestrian Improvements appropriation in the amount of \$100,000 to begin the initial project design. In June 2013, the City Council approved the submittal of several grant applications to the Metropolitan Transportation Commission (MTC) One Bay Area Grant (OBAG) for Surface Transportation Program and Congestion Mitigation and Air Quality (CMAQ) grants. The City of San José was subsequently awarded several multi-year grants for various projects, with the City responsible for a local match for each grant. This includes the St. John Complete Street Corridor project that will enhance multimodal connectivity between the SAP Center and the St. James Park Light Rail Station and expand the scope of a Phase I project in the St. John Street corridor. Improvements will include sidewalk widening, installation of dedicated on-street bicycle facilities, light improvements, and signage. The multi-year grant award is \$1.2 million with a local match of \$339,000. This action provides funding for a portion of the local match in the amount of \$100,000 for 2013-2014 and will be offset by additional Building and Structure Construction Tax revenue, as recommended elsewhere in this report.</p>	Traffic Capital Program		\$100,000	
<p><i>The Alameda Beautiful Way Phase 2</i></p> <p>This action establishes The Alameda Beautiful Way Phase 2 appropriation in the amount of \$300,000 to begin the initial project design. In June 2013, the City Council approved the submittal of several grant applications to the Metropolitan Transportation Commission (MTC) One Bay Area Grant (OBAG) for Surface Transportation Program and Congestion Mitigation and Air Quality (CMAQ) grants. The City of San José was subsequently awarded several multi-year grants for various projects, with the City responsible for a local match for each grant. This includes The Alameda Beautiful Way Phase 2 project that will enhance pedestrian and vehicular safety on The Alameda between Fremont and Newhall, creating a multimodal corridor segment. The multi-year grant award is \$3.5 million with a local match of \$930,000. This action provides funding for a portion of the local match in the amount of \$300,000 for 2013-2014 and will be offset by additional Building and Structure Construction Tax revenue, as recommended elsewhere in this report.</p>	Traffic Capital Program		\$300,000	
<p><i>Traffic Signal & Lighting Program/Earned Revenue</i></p> <p>This action increases the Traffic Signal & Lighting Program appropriation and the corresponding revenue estimate to reflect reimbursements received from several developers for the purchase of traffic signal controllers.</p>	Traffic Capital Program		\$30,000	\$30,000

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<i>Underground Utilities - City Conversions</i>	Traffic Capital Program		(\$300,000)	
<p>This action decreases the Underground Utilities - City Conversions project in the amount of \$300,000 due to project scope modifications that reduced engineering costs. A corresponding increase to the Ending Fund Balance is also recommended in this report.</p>				
TOTAL BLDG & STRUCT CONST TAX FD (429)			\$8,055,000	\$8,055,000
BRANCH LIB BOND PROJECT FD (472)				
<i>Library Bond Projects Contingency Reserve</i>	Library Capital Program		(\$500,000)	
<p>This action decreases the Library Bond Projects Contingency Reserve to offset the action recommended in this report.</p>				
<i>Southeast Branch</i>	Library Capital Program		\$500,000	
<p>This action increases the Southeast Branch appropriation to fund the projected increase in construction costs and additional contingency. A recent project design cost estimate projects construction costs that are 3.5% greater than the budgeted amount. Given the current upward momentum of the regional economy and construction trades, a rise in projected cost could continue to increase through April 2014 when this project is expected to go out to bid. This funding would cover the shortfall between the current construction cost and the revised cost estimate, along with an additional 1.8% contingency budget (total contingency of 9%) to ensure that sufficient funding is available at the time of bid. A corresponding decrease to the Library Bonds Projects Contingency Reserve is also recommended in this report.</p>				
TOTAL BRANCH LIB BOND PROJECT FD (472)			\$0	\$0
CFD #14 RALEIGH-CHARLOTTE FD (379)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$30,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$30,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding to replace trees within the district that were removed as a result of a tree disease.</p>				
TOTAL CFD #14 RALEIGH-CHARLOTTE FD (379)			\$0	\$0
CFD #2 AND CFD #3 FUND (369)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$290,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CFD #2 AND CFD #3 FUND (369)				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$290,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for repairs that address leakage at Verona Lake and tree maintenance, including tree pruning, within the boundaries of the district.</p>				
TOTAL CFD #2 AND CFD #3 FUND (369)			\$0	\$0
CFD #8 COMM HILL FUND (373)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$50,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding to paint the decorative poles in this district, including street lights, bollards, rails, and fences.</p>				
TOTAL CFD #8 COMM HILL FUND (373)			\$0	\$0
COMMTY FACIL REVENUE FUND (422)				
<i>Ending Fund Balance Adjustment</i>	Finance		(\$210,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Repair and Improvements</i>	Finance		\$210,000	
<p>This action increases the Repair and Improvements appropriation for Hayes Mansion by \$210,000 (from \$321,000 to \$531,000). Consistent with past practice, the Repair and Improvements appropriation receives 4% of gross revenues resulting from the operation of Hayes Mansion. Unspent funds in this appropriation are rebudgeted for future repair and improvements. These funds are used for capital improvements, Furnishings, Fixtures, and Equipment (FF&E) expenditures, and to avoid incurring additional costs associated with deferred maintenance. The audited 2012-2013 financials for the Hayes Mansion indicate that funding levels should be set at \$531,000, based on the final gross revenues of 2012-2013, instead of the \$321,000 level that was used in the development of the 2013-2014 Adopted Budget. Therefore, it is recommended that the Repair and Improvements appropriation be increased accordingly.</p>				
TOTAL COMMTY FACIL REVENUE FUND (422)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX FIRE FUND (392)				
<i>Transfer to the Neighborhood Security Bond Fund/Transfers</i>	Public Safety Capital Program		\$575,000	\$575,000
<p>This action establishes a Transfer to the Neighborhood Security Bond Fund (Bond Fund) as well as a revenue estimate for Transfers from the Bond Fund in the amount of \$575,000 in order to: 1) recognize the transfer of bond proceeds from the Bond Fund to reimburse the Fire Construction and Conveyance (C&C) Fund for costs associated with several Public Safety Capital projects; and 2) transfer Fire C&C funding to the Bond Fund to reimburse the Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds.</p>				
TOTAL CONST/CONV TAX FIRE FUND (392)			\$575,000	\$575,000
CONST/CONV TAX PKS CW FUND (391)				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$900,000)	
<p>This action decreases the Ending Fund Balance by \$900,000 to offset the action recommended in this report.</p>				
<i>Family Camp Repairs - Rim Fire</i>	Parks & Comm Fac Dev Capital Program		\$900,000	
<p>This action establishes the Family Camp Repairs – Rim Fire project in the amount of \$900,000 in the Parks City-Wide Construction & Conveyance (C&C) Tax Fund to pay for necessary repairs and rehabilitation of Family Camp damaged by the Rim Fire forest fire, thereby allowing San José campers to enjoy the facilities this summer. Work includes tent and barn structure replacement, electrical repair, water and sewer system rehabilitation, erosion control, burned tree removal, and related work that will occur over the next four to eight months. While the costs are recommended to be initially supported by the Parks City-Wide C&C Tax Fund, staff anticipates reimbursement in whole or in part by the City's insurance policy covering San José Family Camp, the California Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA); the specific amounts from each source are still under discussion. With FEMA's strict timelines for when the work must be completed, staff expects much of the repairs to finish this spring, thereby minimizing impact to campers over the summer.</p>				
TOTAL CONST/CONV TAX PKS CW FUND (391)			\$0	\$0
CONSTRUCTION EXCISE TAX FD (465)				
<i>Bicycle and Pedestrian Facilities/Earned Revenue</i>	Traffic Capital Program		\$59,000	\$41,000
<p>This action increases the Bicycle and Pedestrian Facilities project in the amount of \$59,000 and the corresponding Earned Revenue estimate in the amount of \$41,000 to recognize the Transportation Fund for Clean Air grant from the State for the purchase and installation of approximately 250 two-bicycle racks. The required local match in the amount of \$18,000 will be offset by additional Construction Excise Tax revenue, as recommended elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Bus Rapid Transit - Santa Clara/Alum Rock/Earned Revenue</i>	Traffic Capital Program		\$70,000	\$70,000
This action increases the Bus Rapid Transit - Santa Clara/Alum Rock project and the corresponding Earned Revenue estimate in the amount of \$70,000 for additional signal design work that has been requested by the Santa Clara Valley Transportation Authority (VTA).				
<i>Capitol Expressway Light Rail Pedestrian Improvements/Earned Revenue</i>	Traffic Capital Program		\$70,000	\$70,000
This action increases the Capitol Expressway Light Rail Pedestrian Improvements project and the corresponding Earned Revenue estimate in the amount of \$70,000 for additional signal design work that has been requested by the Santa Clara Valley Transportation Authority (VTA).				
<i>Capitol Expressway: Story Road and Aborn Road Improvements</i>	Traffic Capital Program		(\$298,600)	
This action decreases the Capitol Expressway: Story Road and Aborn Road Improvements appropriation in the amount of \$298,600. The project which was funded by developer contributions has been completed and the remaining project savings will be returned to the Evergreen Benefit Assessment District Fund. A corresponding action is recommended in this report to establish a transfer to the Evergreen Benefit Assessment District Fund.				
<i>Downtown and North San José Transportation Improvements Reserve/Earned Revenue</i>	Traffic Capital Program		\$3,000,000	\$3,000,000
This action establishes a reserve in the amount of \$3.0 million for Downtown and North San José Transportation Improvements that will be recommended to be allocated as part of the 2015-2019 Proposed Capital Improvement Program. A corresponding increase to the estimate for Earned Revenue is recommended to recognize developer contributions that were received from the Irvine Company. This action is consistent with direction approved by the City Council as part of the Mayor's March Budget Message for Fiscal Year 2013-2014.				
<i>Earned Revenue - Construction Excise Tax</i>	Traffic Capital Program			\$11,000,000
This action increases the Construction Excise Tax revenue estimate by \$11.0 million, from \$14.0 million to \$25.0 million. Through December 2013, Construction Excise Tax receipts (\$14.5 million) have exceeded the annual budgeted estimate of \$14.0 million. The increased revenue collections are primarily due to large projects underway, which include the San Jose Earthquakes soccer stadium, residential development in North San José, and commercial and residential development at the "Hitachi site", located at the northeast corner of Highway 85 and Cottle Road. The additional revenue that is anticipated to be received by year-end is recommended to be allocated to a Future Projects Reserve (\$8.7 million), a Future Grants Reserve (\$2.0 million), and to provide the local match for several projects (\$274,000), as described elsewhere in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>East San José Bike/Pedestrian Transit Connection</i>	Traffic Capital Program		\$150,000	
<p>This action establishes an East San José Bike/Pedestrian Transit Connection appropriation in the amount of \$150,000 to begin the initial project design. In June 2013, the City Council approved the submittal of several grant applications to the Metropolitan Transportation Commission (MTC) One Bay Area Grant (OBAG) for Surface Transportation Program and Congestion Mitigation and Air Quality (CMAQ) grants. The City of San José was subsequently awarded several multi-year grants for various projects, with the City responsible for a local match for each grant. This includes the East San José Bike/Pedestrian Transit Connection project that will add 42 miles of bikeways, including development of a primary bikeway route in the Sunset/Hopkins/Ocala corridor. The multi-year grant award is \$2.0 million with a local match of \$532,000. This action provides funding for a portion of the local match in the amount of \$150,000 for 2013-2014 and will be offset by additional Construction Excise Tax revenue, as recommended elsewhere in this report.</p>				
<i>Evergreen Traffic Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$397,000	\$397,000
<p>This action increases the Evergreen Traffic Impact Fees Reserve and the Earned Revenue estimate in the amount of \$397,000 to reflect actual traffic impact fees collected from developers through December 2013. The funds are restricted to traffic improvements within the Evergreen Area and will be allocated as projects are identified.</p>				
<i>Future Grants Reserve</i>	Traffic Capital Program		\$2,000,000	
<p>This action establishes a Future Grants Reserve in the amount of \$2.0 million for future grants that the City of San José may be awarded. This action will be offset by additional Construction Excise Tax revenue as recommended elsewhere in this report.</p>				
<i>Future Projects Reserve</i>	Traffic Capital Program		\$8,726,000	
<p>This action establishes a Future Projects Reserve in the amount of \$8.7 million that will be recommended for allocation as part of the 2015-2019 Proposed Capital Improvement Program. This action will be offset by additional Construction Excise Tax revenue as recommended elsewhere in this report.</p>				
<i>Jackson Avenue Complete Streets/Earned Revenue</i>	Traffic Capital Program		\$80,000	\$80,000
<p>This action establishes a Jackson Avenue Complete Streets appropriation and increases the Earned Revenue estimate in the amount of \$80,000 to begin the initial project design. In June 2013, the City Council approved the submittal of several grant applications to the Metropolitan Transportation Commission (MTC) One Bay Area Grant (OBAG) for Surface Transportation Program and Congestion Mitigation and Air Quality (CMAQ) grants. The City of San José was subsequently awarded several multi-year grants for various projects, with the City responsible for a local match for each grant. This includes the Jackson Avenue Complete Streets project that will construct pedestrian safety and transit access enhancements along Jackson Avenue, between McKee Road and Alum Rock Avenue, including three new signalized crosswalks, bus stop upgrades and relocations, sidewalk widening, and new street trees.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>North San José Traffic Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$1,790,000	\$1,790,000
<p>This action increases the North San José Traffic Impact Fees Reserve and estimate for Earned Revenue in the amount of \$1.8 million to reflect actual traffic impact fees collected from developers through December 2013. The funds are restricted to traffic improvements within the North San José area and will be allocated as projects are identified.</p>				
<i>Pavement Maintenance - Measure B/Earned Revenue</i>	Traffic Capital Program		\$286,000	\$286,000
<p>This action increases the Pavement Maintenance - Measure B project and the Earned Revenue estimate in the amount of \$286,000 to recognize funds from the County of Santa Clara generated by vehicle registration fees that will be used to seal and resurface streets in the 400-mile Priority Street Network.</p>				
<i>Pedestrian Oriented Traffic Signals/Earned Revenue</i>	Traffic Capital Program		\$200,000	\$158,000
<p>This action establishes a Pedestrian Oriented Traffic Safety Signals appropriation in the amount of \$200,000 and increases the Earned Revenue estimate by \$158,000 to begin the initial project design. In June 2013, the City Council approved the submittal of several grant applications to the Metropolitan Transportation Commission (MTC) One Bay Area Grant (OBAG) for Surface Transportation Program and Congestion Mitigation and Air Quality (CMAQ) grants. The City of San José was subsequently awarded several multi-year grants for various projects, with the City responsible for a local match for each grant. This includes the San José Priority Development Area Pedestrian Oriented Traffic Safety Signals project that will construct new traffic signals at six key intersections. The multi-year grant award is \$3.0 million with a local match of \$798,000. A corresponding local match in the amount of \$42,000 for 2013-2014 will be offset by additional Construction Excise Tax revenue, as recommended elsewhere in this report.</p>				
<i>Route 101/Oakland/Mabury Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$1,415,000	\$1,415,000
<p>This action increases the Route 101/Oakland/Mabury Traffic Impact Fees Reserve and the estimate for Earned Revenue in the amount of \$1.4 million to reflect actual traffic impact fees collected from developers through December 2013. The funds are restricted to traffic improvements within the Route 101/Oakland/Mabury Area and will be allocated as projects are identified.</p>				
<i>Safe Access San José/Earned Revenue</i>	Traffic Capital Program		\$264,000	\$200,000
<p>This action increases the Safe Access San José project by \$264,000 and the estimate for Earned Revenue by \$200,000 from a federal Climate Initiative Grant to construct low cost safety improvements such as flashing beacons, ADA ramps, and bulb-outs near schools. The multi-year grant award is \$568,000 with a local match of \$85,000. A corresponding local match in the amount of \$64,000 in 2013-2014 will be offset by additional Construction Excise Tax revenue as recommended elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Signal Retiming - VRF/Earned Revenue</i>	Traffic Capital Program		(\$40,000)	(\$40,000)
<p>This action decreases the Signal Retiming - VRF project and the corresponding Earned Revenue estimate from the Santa Clara Valley Transportation Authority (VTA) in the amount of \$40,000 due to a project scope reduction for the Alum Rock section of the project that will be consolidated with the Santa Clara/Alum Rock Bus Rapid Transit project.</p>				
<i>Transfer to the Evergreen Benefit Assessment District Fund</i>	Traffic Capital Program		\$298,600	
<p>This action establishes a transfer to the Evergreen Benefit Assessment District Fund in the amount of \$298,600 to refund developer contributions associated with the Capitol Expressway: Story Road and Aborn Road Improvements project. This project was completed with savings and those savings are being transferred to the Evergreen Benefit Assessment District Fund. A corresponding action is recommended in this report to decrease the Capitol Expressway: Story Road and Aborn Road Improvements appropriation.</p>				
TOTAL CONSTRUCTION EXCISE TAX FD (465)			\$18,467,000	\$18,467,000
CONTINGENT LIEN DISTRICT FUND (634)				
<i>Berryessa Road Special Assessment District Feasibility Study/Earned Revenue</i>	Developer Assisted Capital Program		\$30,000	\$30,000
<p>This action establishes a Berryessa Road Special Assessment District Feasibility Study appropriation and increases the Earned Revenue estimate to reflect developer contributions received to conduct a feasibility study as requested by the Developer (KB Home South Bay, Inc.). Public Works staff will review and investigate the feasibility of this special district to determine whether a new or amended special district will be approved.</p>				
TOTAL CONTINGENT LIEN DISTRICT FUND (634)			\$30,000	\$30,000
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Convention Facilities Operations/Earned Revenue</i>	Economic Development		\$2,800,000	\$3,000,000
<p>This action increases the Convention Facilities Operations appropriation by \$2.8 million and the Earned Revenue estimate in the amount of \$3.0 million. Based on activity through December and a revised forecast for the remainder of the year, a greater than expected number of contracted events in the Convention Center and other cultural facilities managed by Team San José is anticipated to result in higher revenues and expenditures, primarily related to food and beverage and contract labor. The recommended budget action recognizes the additional anticipated revenue and allocates the majority of those funds to Convention Facilities Operations to ensure sufficient resources are available to support the higher activity level.</p>				
<i>Ending Fund Balance Adjustment</i>	Economic Development		\$174,000	
<p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Insurance Expenses</i>	Economic Development		\$26,000	
<p>This action increases the Insurance Expenses appropriation by \$26,000, from \$200,000 to \$226,000, and follows an earlier \$70,000 increase approved by the City Council in September 2013 that was part of a broader insurance premium adjustment city-wide. The additional \$26,000 more precisely accounts for the insurance coverage of newly renovated space at the Convention Center.</p>				
TOTAL CONV/CULTURAL AFFAIRS FUND (536)			\$3,000,000	\$3,000,000
DENTAL INSURANCE FUND (155)				
<i>Dental HMO Plan</i>	Human Resources		\$22,000	
<p>This action increases the Dental HMO Plan appropriation by \$22,000 (from \$285,000 to \$307,000). Enrollment has increased by 11% since April 2013 in the dental HMO plan and current expenditures are tracking to exceed budgeted levels. This action will align budgeted levels with current enrollment and projected claims costs. A corresponding decrease in the Payment of Claims appropriation for the dental PPO plan is also recommended in this report to reflect the reallocation of participants between the two plans.</p>				
<i>Payment of Claims</i>	Human Resources		(\$22,000)	
<p>This action decreases the Payment of Claims appropriation for the dental PPO plan by \$22,000 (from \$11.4 million to \$11.3 million). As a result of increased enrollment in the dental HMO plan, it is anticipated that savings will be realized in the claims costs associated with the dental PPO plan. Therefore, a corresponding increase in the Dental HMO Plan appropriation is also recommended in this report.</p>				
TOTAL DENTAL INSURANCE FUND (155)			\$0	\$0
EDW BYRNE MEMORIAL JAG FD (474)				
<i>2011 Justice Assistance Grant/Earned Revenue</i>	Police		\$414	\$414
<p>This action increases the 2011 Justice Assistance Grant appropriation and the corresponding Earned Revenue estimate to reflect interest earnings for the JAG 2011 grant cycle, that were previously unallocated, in order to expend these funds by the spending deadline of September 30, 2014. The spending plan for this grant includes equipment as well as crime prevention and education programs.</p>				
TOTAL EDW BYRNE MEMORIAL JAG FD (474)			\$414	\$414
GAS TAX MAINT/CONST FND - 1943 (409)				
<i>Transfer to the General Fund/Gas Tax Revenue</i>	Finance		\$500,000	\$500,000
<p>Increases the Earned Revenue estimate for Gas Tax and associated transfer to the General Fund for the 1943 Gas Tax Maintenance and Construction Fund by \$500,000, from \$6.8 million to \$7.3 million, to more accurately align revenues with projected activity levels.</p>				
TOTAL GAS TAX MAINT/CONST FND - 1943 (409)			\$500,000	\$500,000

Special/Capital Funds Recommended Budget Adjustments Summary

2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
GENERAL PURPOSE PARKING FD (533)				
<i>4th/San Fernando Debt Service Payments</i>	Transportation		\$1,686,000	
<p>This action increases the 4th/San Fernando Debt Service Payments appropriation by \$1.7 million (from \$1.7 million to \$3.4 million) to reflect revised projected Successor Agency to the Redevelopment Agency (SARA) cash flow and structural deficits in 2013-2014. It is anticipated that additional funding of \$1.7 million is needed by SARA in 2013-2014 to ensure sufficient cash flow for the City contractually obligated February 2014 4th/San Fernando Debt Service payment. This action adjusts appropriated funds to the full 2013-2014 4th/San Fernando Debt Service payment including principal, interest, and trustee costs. Per the approved 2013-2014 Reimbursement Agreement between the City and SARA, a City Advance for this bonded obligation is eligible to be reimbursed should sufficient SARA cash balances remain at the end of 2013-2014. Revenues and expenditures will continue to be monitored closely and any adjustments or potential intra-year reimbursements will be brought forward for consideration by year-end as appropriate.</p>				
<i>Debt Service Payments Reserve</i>	Transportation		(\$1,686,000)	
<p>This action decreases the Debt Service Payments Reserve to offset the action recommended in this report.</p>				
TOTAL GENERAL PURPOSE PARKING FD (533)			\$0	\$0
GIFT TRUST FUND (139)				
<i>Library - General Gifts/Earned Revenue</i>	Library		\$41,556	\$41,556
<p>This action increases the Library - General Gifts appropriation and Earned Revenue estimate to recognize and appropriate gifts made in support of the following: Almaden Branch Library (\$2,000), Alum Rock Branch Library (\$850), Bascom Branch Library (\$410), Berryessa Branch Library (\$1,500), Cambrian Branch Library (\$9,350), Evergreen Branch Library (\$1,500), Joyce Ellington Branch Library (\$395), Dr. Martin Luther King Jr. Library (\$4,525), Pearl Avenue Branch Library (\$1,860), Rose Garden Branch Library (\$2,000), Santa Teresa Branch Library (\$1,365), Vending Commissions (\$3,022), Vineland Branch Library (\$1,760), West Valley Branch Library (\$8,590), and Willow Glen Branch Library (\$2,429). The funding will be used for programming, supplies, and materials.</p>				
<i>Animal Services Donations/Earned Revenue</i>	Public Works		\$65,000	\$65,000
<p>This action increases the Animal Services appropriation and increases the corresponding estimate for Earned Revenue by \$65,000 to recognize a gift received for the general support of animal care services.</p>				
TOTAL GIFT TRUST FUND (139)			\$106,556	\$106,556
HOME INVEST PART PROG FUND (445)				
<i>Ending Fund Balance Adjustment</i>	Housing		(\$221,405)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
HOME INVEST PART PROG FUND (445)				
<i>Housing Loans and Grants/Earned Revenue</i>	Housing		\$6,400,000	\$6,400,000
<p>This action increases the Housing Loans and Grants appropriation and the corresponding Earned Revenue estimate from the federal government (\$6.4 million). A portion of this funding (\$4.9 million) will fund the Japantown Seniors Apartments project. The project is a 75-unit apartment development that will service low-income seniors earning 30-60% of the area median income. The remaining funding (\$1.5 million) reflects reimbursements received for a completed housing project and will be used for future housing development grants.</p>				
<i>Tenant Based Rental Assistance/Earned Revenue</i>	Housing		\$281,405	\$60,000
<p>This action increases the Tenant Based Rental Assistance (TBRA) appropriation to allocate a prior year encumbrance (\$221,405) that was liquidated and inadvertently fell to fund balance. In addition, this action will increase the appropriation and the corresponding Earned Revenue estimate by \$60,000 to reflect grant funding from the federal government for the expansion of the TBRA program. The expansion will add another homeless team to assist 15 additional homeless families by providing funds to subsidize rent and rental deposits.</p>				
TOTAL HOME INVEST PART PROG FUND (445)			\$6,460,000	\$6,460,000
HOUSING TRUST FUND (440)				
<i>City Attorney's Office Personal Services</i>	City Attorney		(\$20,000)	
<p>This action decreases the City Attorney's Office (CAO) Personal Services appropriation due to lower than anticipated legal services needed in the Housing Trust Fund. The majority of legal services needed are for projects that are funded in the Low and Moderate Income Housing Asset Fund. As a result, actions to increase the CAO Personal Services appropriation in the Low and Moderate Income Housing Asset Fund are recommended elsewhere in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Housing		\$17,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Housing and Homeless Projects</i>	Housing		\$3,000	
<p>This action increases the Housing and Homeless Projects appropriation to fund the Universal Pass for Life Improvement from Transportation (UPLIFT) program, which provides transit passes to low-income persons.</p>				
TOTAL HOUSING TRUST FUND (440)			\$0	\$0
INTEGRATED WASTE MGT FUND (423)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$17,037)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
INTEGRATED WASTE MGT FUND (423)				
<i>Planning, Building and Code Enforcement Department - Personal Services</i>	Planning, Bldg, & Code Enf		\$17,037	
<p>This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation to provide funding for higher than anticipated staffing costs based on the actual staffing supporting the Integrated Waste Management Fund.</p>				
TOTAL INTEGRATED WASTE MGT FUND (423)			\$0	\$0
LIFE INSURANCE FUND (156)				
<i>Ending Fund Balance Adjustment</i>	Human Resources		(\$15,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Human Resources Department Personal Services</i>	Human Resources		\$15,000	
<p>This action increases the Human Resources Department Personal Services appropriation by \$15,000 (from \$49,000 to \$64,000) to more accurately align funding levels with services performed by staff to administer and monitor the Life Insurance Fund. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.</p>				
TOTAL LIFE INSURANCE FUND (156)			\$0	\$0
LOW/MOD INCOME HSNG ASSET FD (346)				
<i>City Attorney's Office Personal Services</i>	City Attorney		\$200,000	
<p>This action increases the City Attorney's Office Personal Services appropriation to reflect higher than anticipated legal services. The projected overage is primarily due to increased legal services associated with several new and existing projects (i.e. Nexus study, San Carlos Seniors Housing Development, and One South Market Housing Development).</p>				
<i>Ending Fund Balance Adjustment</i>	Housing		(\$450,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Homeless Services</i>	Housing		\$250,000	
<p>This action establishes a Homeless Services appropriation to provide funding to the County of Santa Clara for the Central County Community Re-Integration Project. On October 31, 2013, the Governor signed into law Senate Bill 341 which allows Housing successor agencies that have fulfilled outstanding housing replacement and production requirements of the former redevelopment agency to expend up to \$250,000 per year in the Low and Moderate Income Housing Asset Fund for homeless prevention and rapid re-housing services. This funding will fulfill the City's commitment to fund intensive case management services for at least two years.</p>				
TOTAL LOW/MOD INCOME HSNG ASSET FD (346)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
M.D. #1 LOS PASEOS FUND (352)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$50,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$50,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for tree maintenance, including tree pruning, within the boundaries of this district.				
TOTAL M.D. #1 LOS PASEOS FUND (352)			\$0	\$0
M.D. #13 KARINA CT-O'NL DR FD (366)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$10,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$10,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for higher than anticipated electricity costs associated with the operation of the water fountain in the district.				
TOTAL M.D. #13 KARINA CT-O'NL DR FD (366)			\$0	\$0
M.D. #19 RIVER OAKS FUND (359)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$25,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$25,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for additional contractual landscape maintenance services to this recently expanded district.				
TOTAL M.D. #19 RIVER OAKS FUND (359)			\$0	\$0
M.D. #2 TRADE ZONE/LUNDY FD (354)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$50,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$50,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for the removal of turf in two mini-parks on Lundy Avenue and Concourse Drive, landscaping renovations, and retrofits to an irrigation system in the district.				
TOTAL M.D. #2 TRADE ZONE/LUNDY FD (354)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
M.D. #21 GATEWAY FUND (356)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$90,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$90,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for irrigation system repairs and tree removal and replacement on Airport Boulevard.				
TOTAL M.D. #21 GATEWAY FUND (356)			\$0	\$0
M.D. #9 S TERESA/GRT OAKS FD (362)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$100,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Transportation Department Non-Personal/Equipment</i>	Transportation		\$100,000	
This action increases the Transportation Department Non-Personal/Equipment appropriation to provide funding for tree removal and replacement and the installation of a new irrigation system.				
TOTAL M.D. #9 S TERESA/GRT OAKS FD (362)			\$0	\$0
MULTI-SOURCE HOUSING FD (448)				
<i>City Attorney's Office Personal Services</i>	City Attorney		(\$90,000)	
This action decreases the City Attorney's Office (CAO) Personal Services appropriation due to lower than anticipated legal services needed in the Multi-Source Housing Fund. The majority of legal services needed are for projects that are funded in the Low and Moderate Income Housing Asset Fund. As a result, actions to increase the CAO Personal Services appropriation in the Low and Moderate Income Housing Asset Fund are recommended elsewhere in this report.				
<i>CalHome (Homebuyer) Program/Earned Revenue</i>	Housing		(\$500,000)	(\$500,000)
This action decreases the CalHome (Homebuyer) Program appropriation and the corresponding Earned Revenue estimate for grant funding from the State of California to reflect the lower than anticipated demand for this program. As a result of the ongoing recovery in the housing market, low-income homebuyers have been challenged competing for homes in the market. A majority of the 2013-2014 CalHome (Homebuyer) Program budget was targeted toward funding buyers purchasing homes through the Dream Home Project. However, many potential buyers have income levels that do not qualify for this program.				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
MULTI-SOURCE HOUSING FD (448)				
<i>CalHome (Rehabilitation) Program/Earned Revenue</i>	Housing		\$1,500,000	\$1,500,000
<p>This action increases the CalHome (Rehabilitation) Program appropriation and the corresponding Earned Revenue estimate to fund the increased loan program needs. Due to the ongoing recovery in the housing market and increases in available home equity, the Housing Rehabilitation Program has experienced a significant increase in the number of viable applications for the CalHome loan program. The program currently has a healthy pipeline of approved loans and prospective CalHome applications ready to fund.</p>				
<i>Ending Fund Balance Adjustment</i>	Housing		\$40,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Neighborhood Stabilization Program/Earned Revenue</i>	Housing		\$157,000	\$157,000
<p>This action increases the Neighborhood Stabilization Program appropriation and the corresponding Earned Revenue estimate to reflect the remaining grant funding available for the Neighborhood Stabilization Program 1 (NSP1). The NSP1 program is a blight mitigation program and funds are used to reoccupy, purchase, and/or rehabilitate vacant, foreclosed homes. It is anticipated that the grant will be closed out at the end of 2013-2014.</p>				
<i>Nexus Study</i>	Housing		\$50,000	
<p>This action increases the Housing Department Non-Personal/Equipment appropriation to provide additional funding for the nexus study. On June 4, 2013, City Council directed the Housing Department to conduct a nexus study analyzing the impact that residential development has on the need for affordable housing in San José and return to the City Council with recommendations. A draft nexus study was completed and the Housing Department originally intended to request City Council's approval at the December 10, 2013 Council meeting. However, after discussions with stakeholders, the Housing Department decided to continue working with the consultant to ensure that all concerns raised are considered. The focus of the study will now be on rental residential development. This funding will be used for additional contractual services to refine data and projections, perform further modeling, and conduct additional community outreach.</p>				
TOTAL MULTI-SOURCE HOUSING FD (448)			\$1,157,000	\$1,157,000
NEIGHBHD SECURITY BOND FD (475)				
<i>Transfer to the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes/Transfers</i>	Public Safety Capital Program		\$575,000	\$575,000
<p>This action establishes a Transfer to the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes (Fire C&C) Fund and a revenue estimate for Transfers in the amount of \$575,000 in order to: 1) recognize the transfer of Fire C&C Fund funding to reimburse the Neighborhood Security Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds; and 2) transfer funding to the Fire C&C to allocate bond proceeds to reimburse that fund for costs associated with several bond-eligible Public Safety Capital projects.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
NEIGHBHD SECURITY BOND FD (475)				
<i>Transfer to the General Fund/Transfers</i>	Public Safety Capital Program		\$40,000	\$40,000
<p>This action establishes a Transfer to the General Fund and increases the revenue estimate for Transfers by \$40,000 in order to: 1) recognize the transfer of bond proceeds from the Neighborhood Security Bond Fund (Bond Fund) to reimburse the General Fund for costs associated with several bond-eligible Public Safety Capital projects; and 2) transfer General Fund funding to the Bond Fund to reimburse the fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds.</p>				
TOTAL NEIGHBHD SECURITY BOND FD (475)			\$615,000	\$615,000
 SEWER SVC & USE CHARGE FD (541)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Ending Fund Balance/Transfer from the Sewer Service Bond Payment Fund</i>	Environmental Services		\$227,200	\$227,200
<p>This action liquidates a portion of the Sewer Service Bond Payment Fund (\$227,200) and transfers the funds to the Sewer Service and Use Charge Fund. The Sewer Service Bond Payment Fund is used to deposit funds from San José, Santa Clara and the Tributary Agencies to make payments to the Clean Water Financing Authority or to the bond trustee. Actual debt services payments were less than the budgeted amount and the remaining funds need to be transferred to the Sewer Service and Use Charge Fund (\$227,200) and San José/Santa Clara Treatment Plant Capital Fund (\$543,200), as reflected in a separate action recommended in this report. The additional funding is recommended to be allocated to the Ending Fund Balance.</p>				
<i>Workers' Compensation Claims</i>	Human Resources		\$50,000	
<p>This action increases the Human Resources Department Workers' Compensation Claims appropriation by \$50,000 due to higher than anticipated claims activity in the Environmental Services Department.</p>				
TOTAL SEWER SVC & USE CHARGE FD (541)			\$227,200	\$227,200

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SEWER SVC & USE CHG CAP FD (545)				
<p><i>Bollinger Road-Blaney Avenue Sanitary Sewer Improvement</i></p> <p>This action decreases the Bollinger Road – Blaney Avenue Sanitary Sewer Improvement appropriation by \$5.1 million, and in separate actions, these funds are recommended to be reallocated to the Immediate Replacement and Diversion Projects (\$2.2 million) and the Urgent Rehabilitation and Repair Projects (\$2.9 million) appropriations. After further review of the Bollinger Road-Blaney Avenue project, it has been determined that there is no immediate need to improve this section of the sanitary sewer system. The project will be re-evaluated during the development of the 2015-2019 Proposed Capital Improvement Program. This funding is recommended to be reallocated to address sanitary sewer overflows at several locations including Cinnabar-North Autumn area, West Virginia-Hull Avenue, Pine Avenue, Willowgate, Echo Loop, Electra Way, Madrona Avenue, and Seven Trees area.</p>	Sanitary Sewer Capital Program		(\$5,100,000)	
<p><i>Immediate Replacement and Diversion Projects</i></p> <p>This action increases the Immediate Replacement and Diversion Projects appropriation (\$2.2 million) to address the sanitary sewer overflows and/or severely deteriorated sewers at several locations, including Cinnabar-North Autumn area, West Virginia-Hull Avenue, Pine Avenue, Willowgate, Echo Loop, Electra Way, Madrona Avenue, and Seven Trees area. To offset this action, a corresponding decrease to the Bollinger Road – Blaney Avenue Sanitary Sewer Improvement appropriation is also recommended in this report.</p>	Sanitary Sewer Capital Program		\$2,200,000	
<p><i>Urgent Rehabilitation and Repair Projects</i></p> <p>This action increases the Urgent Rehabilitation and Repair Projects appropriation (\$2.9 million) to address the sanitary sewer overflows and/or severely deteriorated sewers at several locations, including Cinnabar-North Autumn area, West Virginia-Hull Avenue, Pine Avenue, Willowgate, Echo Loop, Electra Way, Madrona Avenue, and Seven Trees area. To offset this action, a corresponding decrease to the Bollinger Road – Blaney Avenue Sanitary Sewer Improvement appropriation is also recommended in this report.</p>	Sanitary Sewer Capital Program		\$2,900,000	
TOTAL SEWER SVC & USE CHG CAP FD (545)			\$0	\$0
SJ-SC TRMNT PLANT CAP FUND (512)				
<p><i>Ending Fund Balance/Transfer from the Sewer Service Bond Payment Fund</i></p> <p>This action liquidates a portion of the Sewer Service Bond Payment Fund (\$543,200) and transfers the funds to the San José/Santa Clara Treatment Plant Capital Fund. The Sewer Service Bond Payment Fund is used to deposit funds from San José, Santa Clara and the Tributary Agencies to make payments to the Clean Water Financing Authority or to the bond trustee. Actual debt services payments were less than the budgeted amount and the remaining funds need to be transferred to the San José/Santa Clara Treatment Plant Capital Fund (\$543,200) and Sewer Service and Use Charge Fund (\$227,200), as reflected in a separate action recommended in this report. The additional funding is recommended to be allocated to the Ending Fund Balance.</p>	Water Pollution Control Cap Prgm		\$543,200	\$543,200

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ-SC TRMNT PLANT CAP FUND (512)				
TOTAL SJ-SC TRMNT PLANT CAP FUND (512)			\$543,200	\$543,200
SJ-SC TRMNT PLANT OPER FUND (513)				
<i>City Attorney's Office Non-Personal/Equipment</i>	City Attorney		\$50,000	
<p>This action establishes a City Attorney's Office Non-Personal/Equipment appropriation for legal services needed related to the environmental review for the San José/Santa Clara Water Pollution Control Plant Master Plan project.</p>				
<i>Environmental Services Department Non-Personal/Equipment</i>	Environmental Services		\$930,000	
<p>This action increases the Environmental Services Department Non-Personal/Equipment appropriation by \$930,000 for increased energy costs. Due to recent failures of the fuel cell and electrical engine generators that were repaired, and the anticipated removal of one of the electrical engine generators for major maintenance repairs in February 2014, the Wastewater Facility has had to depend heavily on the purchase of electricity from Pacific Gas and Electric. A corresponding action to decrease the Environmental Services Department Personal Services appropriation is included since it is anticipated that there will be significant vacancy savings by year-end.</p>				
<i>Environmental Services Department Personal Services</i>	Environmental Services		(\$980,000)	
<p>This action decreases the Environmental Services Department Personal Services appropriation by \$980,000 to realize vacancy savings and offset the actions recommended in this report.</p>				
TOTAL SJ-SC TRMNT PLANT OPER FUND (513)			\$0	\$0
STORM DRAINAGE FEE FUND (413)				
<i>Capital Program and Public Works Department Support Service Costs</i>	Storm Sewer Capital Program		\$50,000	
<p>This action increases the Capital Program and Public Works Department Support Services Costs appropriation to address higher than anticipated Public Works Department projects and corresponding costs in this fund. This appropriation funds the city-wide capital support costs which include support for the Capital Project Management System, labor compliance review, performance measure reporting, updates of policies and specifications, and Public Works Department capital project delivery costs.</p>				
<i>Ending Fund Balance Adjustment</i>	Storm Sewer Capital Program		(\$50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL STORM DRAINAGE FEE FUND (413)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SUPPL LAW ENF SVCES FUND (414)				
<i>SLES Grant 2010-2012/Earned Revenue</i>	Police		\$823	\$823
<p>This action increases the SLES Grant 2010-2012 appropriation and the corresponding Earned Revenue estimate to reflect interest earned after the spending deadline, which was previously unallocated, in order to repay the granting agency per grant provisions.</p>				
TOTAL SUPPL LAW ENF SVCES FUND (414)			\$823	\$823
UNDERGROUND UTILITY FUND (416)				
<i>Capital Program and Public Works Department Support Services Costs</i>	Developer Assisted Capital Program		\$50,000	
<p>This action increases the Capital Program and Public Works Department Support Services Costs appropriation in the Underground Utility Fund to address higher than anticipated Public Works Department projects and corresponding costs in this fund. This appropriation funds the city-wide capital support costs which include support for the Capital Project Management System, labor compliance review, performance measure reporting, updates of policies and specifications, and Public Works Department capital project delivery costs.</p>				
<i>Ending Fund Balance Adjustment</i>	Developer Assisted Capital Program		(\$50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL UNDERGROUND UTILITY FUND (416)			\$0	\$0
UNEMPLOYMENT INSUR FD (157)				
<i>Ending Fund Balance Adjustment</i>	Human Resources		(\$25,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Human Resources Department Personal Services</i>	Human Resources		\$25,000	
<p>This action increases the Human Resources Department Personal Services allocation by \$25,000 (from \$97,000 to \$122,000) to more accurately align funding levels with services performed by staff to administer and monitor the Unemployment Insurance Fund. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.</p>				
TOTAL UNEMPLOYMENT INSUR FD (157)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
VEHICLE MAINT & OPER FUND (552)				
<i>Diesel Retrofit Program</i>	Public Works		\$550,000	
<p>This action increases the Diesel Retrofit Program appropriation to fund fueling infrastructure improvements for the B20 biodiesel regulatory program at the South and Muni Service Yards. In May 2013, the City was required by the County of Santa Clara enforcement to discontinue using B20 biodiesel at several of its facilities due to underground storage tank compatibility issues. B20 biodiesel is considered an alternative fuel and the discontinued use at the several City sites greatly reduces our alternative fuel fleet count. Prior to the discontinued use of the B20 biodiesel, 40% of the City's fleet was alternative fuel. With the discontinued use of B20 biodiesel, the City's alternative fuel fleet has been reduced from 40% to 25%. Due to current year anticipated savings in the Inventory Purchases appropriation, this action is supported by a corresponding decrease to the Inventory Purchases appropriation, also recommended in this report.</p>				
<i>Fuel Management System Upgrade</i>	Public Works		\$260,000	
<p>This action increases the Public Works Department Non-Personal/Equipment appropriation to fund the upgrade of the two existing fuel management systems at the Police Department fueling stations. The current fuel management systems, which track all vehicle fueling transactions, are failing. The upgrade of these systems will electronically track the fueling transactions at these stations and link them to a database to ensure accuracy in reporting city-wide fueling transactions. Due to current year anticipated savings in the Inventory Purchases appropriation, this action is supported by a corresponding decrease to the Inventory Purchases appropriation, also recommended in this report.</p>				
<i>Inventory Purchases</i>	Public Works		(\$810,000)	
<p>This action decreases the Inventory Purchases appropriation by \$810,000, from \$9.3 million to \$8.5 million, to reflect lower than anticipated fuel costs. A portion of these savings (\$550,000) will be reallocated to the Diesel Retrofit Program appropriation to fund the fueling infrastructure improvements for the B20 biodiesel regulatory program at the South and Muni Service Yards. The remaining cost savings (\$260,000) will be reallocated to the Public Works Department Non-Personal/Equipment appropriation to fund the Fuel Management System Upgrade at the Police Department fueling stations. Corresponding increases to the Diesel Retrofit Program and the Public Works Department Non-Personal/Equipment appropriations are also recommended in this report.</p>				
TOTAL VEHICLE MAINT & OPER FUND (552)			\$0	\$0
WATER UTILITY FUND (515)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		\$400,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report. This additional funding will be considered for allocation during the development of the 2014-2015 Proposed Operating Budget.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2013-2014 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WATER UTILITY FUND (515)				
<p><i>Environmental Services Department Non-Personal/Equipment</i></p> <p>This action increases the Environmental Services Department Non-Personal/Equipment appropriation by \$100,000 for the installation of safety railings along the perimeter of the San José Quimby Reservoir. The reservoir that was built in the 1960's is situated along a hillside and is approximately 18.5 feet high. The Safety Manager has determined that the site is a significant hazard for employees who are required to complete monthly inspections at the top of the reservoir or collect weekly water quality samples.</p>	Environmental Services		\$100,000	
<p><i>Environmental Services Department Non-Personal/Equipment/Earned Revenue (Water Sales)</i></p> <p>This action increases the Environmental Services Department Non-Personal/Equipment appropriation by \$1.5 million for the purchase of potable and recycled water and electricity, and increases the estimate for Earned Revenue by \$2.0 million to reflect higher than anticipated sales of potable and recycled water. Lower than normal rain levels have resulted in increased water usage.</p>	Environmental Services		\$1,500,000	\$2,000,000
TOTAL WATER UTILITY FUND (515)			\$2,000,000	\$2,000,000