

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AFFORDABLE HSG INVEST FD (346)				
Ending Fund Balance Adjustment	Housing		(\$134,440)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
Homeowner Education Program	Housing		\$34,440	
This action establishes the Homeowner Education Program. The State and federal funded downpayment assistance programs require all recipients of homebuyer loans participate in a homeownership class. This funding ensures that the homeownership classes are offered.				
Successor Agency to the Redevelopment Agency	Housing		\$100,000	
This action increases the Successor Agency to the Redevelopment Agency (SARA) appropriation to reflect the payment associated with a loan agreement between the former San Jose Redevelopment Agency (SJRA) and the City of San José (City). In 1994, SJRA advanced \$1.0 million of a \$4.0 million loan made by the City to the YWCA Third Street. An agreement was made between the former SJRA and the City that for every dollar received by the City in repayment of the YWCA Third Street loan, the City would transfer 24.5 cents to SARA. This funding will provide for the payment to SARA for the amount of repayments collected year-to-date.				
TOTAL AFFORDABLE HSG INVEST FD (346)			\$0	\$0
AIRPORT CUST FAC & TRANS FD (519)				
ConRac Underground Fuel Storage Tanks	Airport		\$100,000	
This action increases the Airport's Non-Personal/Equipment appropriation to modify the leak detection system in the Consolidated Rental Car Garage (ConRac) underground fuel storage tanks in order to comply with the new Santa Clara County Department of Environmental Health permit requirements. A corresponding decrease to the Airport's Contingency Reserve is also recommended in this report.				
Contingency Reserve	Airport		(\$100,000)	
This action decreases the Airport's Contingency Reserve to offset the action recommended in this report.				
TOTAL AIRPORT CUST FAC & TRANS FD (519)			\$0	\$0

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AIRPORT FISCAL AGENT FUND (525)				
<i>Transfer from Airport Revenue Bond Improvement Fund</i>	Airport			\$4,418,719
<p>This action recognizes a Transfer from the Airport Revenue Bond Improvement Fund (Fund 526) for the February 2013 debt service payment on the Airport's Series 2007B Revenue Bonds. Based on advice from Bond Counsel and a review of the Airport's future financial projections, it is recommended that eligible projects anticipated to be funded from the 2007B bond proceeds be funded from remaining 2007A bond proceeds. The remaining 2007B unspent bond proceeds will be allocated toward future debt service on the 2007B bonds. This recommendation meets legal requirements, continues to provide a funding source for the 2007B eligible projects, and provides an alternative source of funds for debt service on the 2007B bonds.</p>				
<i>Transfer from Airport Revenue Fund</i>	Airport			(\$4,418,719)
<p>This action decreases the estimate for Transfer from the Airport Revenue Fund (Fund 521) to offset the action recommended in this report.</p>				
TOTAL AIRPORT FISCAL AGENT FUND (525)			\$0	\$0
AIRPORT MAINT & OPER FUND (523)				
<i>Airport Councils International World/North American Conference</i>	Airport		\$64,700	
<p>This action increases the Airport's Non-Personal/Equipment appropriation by \$64,700 to host the Airport Councils International World/North American Conference in September 2013. Funds were set aside in anticipation of costs associated with hosting the event including staff costs, transportation costs, food costs, and uniform costs for volunteers. A corresponding decrease to the Reserve for Airport Councils International Conference is also recommended in this report.</p>				
<i>Airport Lounge Operator</i>	Airport		(\$600,000)	
<p>This action decreases the Airport's Non-Personal/Equipment appropriation by \$600,000 for the operation of a shared use lounge. The funds are no longer necessary because a concession agreement was signed with a vendor who will operate the lounge and provide monthly revenues to the City.</p>				
<i>Contingency Reserve</i>	Airport		\$867,700	
<p>This action increases the Airport's Contingency Reserve to offset the actions recommended in this report.</p>				
<i>Customer Cart and Baggage Delivery Services</i>	Airport		(\$275,000)	
<p>This action decreases the Airport's Non-Personal/Equipment appropriation by \$275,000 for the operation of electric carts to assist passengers to their gates and delivery services of oversize baggage. The funds are no longer necessary because the airlines have agreed to provide these services using their own contractors for greater control over service levels and costs.</p>				

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AIRPORT MAINT & OPER FUND (523)				
<i>On-Demand Ground Transportation Services/Transfer from Airport Revenue Fund</i>	Airport		(\$431,392)	(\$431,392)
<p>This action decreases the Airport's Non-Personal/Equipment appropriation and the Transfer from the Airport Revenue Fund (Fund 521) estimate to reflect the changes approved by City Council on September 18, 2012 related to the new agreement with On-Demand Ground Transportation Services (Taxi San José). This action resulted in Taxi San José taking over permit fee collection and administrative duties from the Airport.</p>				
<i>Reserve for Airport Councils International Conference</i>	Airport		(\$64,700)	
<p>This action decreases the Reserve for Airport Councils International Conference to offset the cost of hosting the Airport Councils International World/North American Conference in September 2013. A corresponding increase to the Airport's Non-Personal/Equipment appropriation is also recommended in this report.</p>				
<i>Planning, Building and Code Enforcement Department Personal Services</i>	Planning, Bldg, & Code Enf		\$7,300	
<p>This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation to reflect higher than anticipated staffing costs for a Division Manager position. Since the development of the 2012-2013 Adopted Budget, a vacant position was filled and hired at a salary higher than budgeted, causing a projected overage.</p>				
TOTAL AIRPORT MAINT & OPER FUND (523)			(\$431,392)	(\$431,392)
AIRPORT REV BOND IMP FUND (526)				
<i>Ending Fund Balance Adjustment</i>	Airport Capital Program		(\$4,418,719)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Transfer to Airport Fiscal Agent Fund</i>	Airport Capital Program		\$4,418,719	
<p>This action establishes a Transfer to the Airport Fiscal Agent Fund (Fund 525) for the February 2013 debt service payment on the Airport's Series 2007B Revenue Bonds. Based on advice from Bond Counsel and a review of the Airport's future financial projections, it is recommended that eligible projects anticipated to be funded from the 2007B bond proceeds be funded from remaining 2007A bond proceeds. The remaining 2007B unspent bond proceeds will be allocated toward future debt service on the 2007B bonds. This recommendation meets legal requirements, continues to provide a funding source for the 2007B eligible projects, and provides an alternative source of funds for debt service on the 2007B bonds.</p>				
TOTAL AIRPORT REV BOND IMP FUND (526)			\$0	\$0

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT REVENUE FUND (521)				
<i>Earned Revenue – Parking and Roadways</i>	Airport			(\$677,991)
<p>This action decreases the estimate for Earned Revenue for Parking and Roadways by \$677,991. Corresponding reductions to the Transfer to the Airport Maintenance and Operation Fund (Fund 523) for \$431,392 and the Reserve Per Airline Agreement for \$246,599 are also recommended to reflect changes approved by City Council on September 18, 2012. The changes are related to the new agreement with On-Demand Ground Transportation Services (Taxi San José) that resulted in Taxi San José taking over permit fee collection and administrative duties from the Airport.</p>				
<i>Reserve Per Airline Agreement</i>	Airport		\$4,172,120	
<p>This action increases the Reserve Per Airline Agreement to offset the actions recommended in this report.</p>				
<i>Transfer to Airport Fiscal Agent Fund</i>	Airport		(\$4,418,719)	
<p>This action decreases the Transfer to the Airport Fiscal Agent Fund (Fund 525) for the February 2013 debt service payment on the Airport's Series 2007B Revenue Bonds. Based on advice from Bond Counsel and a review of the Airport's future financial projections, it is recommended that eligible projects anticipated to be funded from the 2007B bond proceeds be funded from remaining 2007A bond proceeds. The remaining 2007B unspent bond proceeds will be allocated toward future debt service on the 2007B bonds. This recommendation meets legal requirements, continues to provide a funding source for the 2007B eligible projects, and provides an alternative source of funds for debt service on the 2007B bonds.</p>				
<i>Transfer to Airport Maintenance and Operation Fund</i>	Airport		(\$431,392)	
<p>This action decreases the Transfer to the Airport Maintenance and Operation Fund (Fund 523) by \$431,392. A corresponding reduction to the estimate for Earned Revenue for Parking and Roadways is also recommended to reflect changes approved by City Council on September 18, 2012. The changes are related to the new agreement with On-Demand Ground Transportation Services (Taxi San José) that resulted in Taxi San José taking over permit fee collection and administrative duties from the Airport.</p>				
TOTAL AIRPORT REVENUE FUND (521)			(\$677,991)	(\$677,991)
BENEFIT FUND (160)				
<i>401(a) Defined Contribution Retirement Plan/Transfers</i>	Human Resources		\$10,000	\$10,000
<p>This action establishes an appropriation for a Defined Contribution Retirement Plan for Unit 99 employees that are hired new to the City on or after January 20, 2013, as well as an estimate for Transfers from various funds. On December 14, 2012, the City Council approved the creation of a Defined Contribution Plan Option which would allow for eligible employees who are hired directly into Unit 99 a one-time election between the Tier 2 benefit option and the defined contribution 401(a) plan (Tier 3). The 401(a) plan was established with a City contribution of 3.75% and an employee contribution of 3.75%.</p>				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BENEFIT FUND (160)				
<i>FICA-Medicare/Transfers</i>	Human Resources		\$200,000	\$200,000
<p>This action increases the FICA-Medicare appropriation and estimate for Transfers from various City funds by \$200,000 to reflect higher than anticipated expenditures as a result of more staffing in this category than was assumed in the 2012-2013 budget. This action is offset by a recommended increase to the estimate for Transfers.</p>				
<i>PTC 456/Transfers</i>	Human Resources		\$200,000	\$200,000
<p>This action increases the Part-time, Temporary, and Contractual (PTC) 457 (Deferred Compensation Retirement Plan) appropriation and estimate for Transfers from various City funds by \$200,000 to reflect higher than anticipated expenditures as a result of higher temporary staffing levels than were assumed in the 2012-2013 budget. This action is offset by a recommended increase to the estimate for Transfers.</p>				
TOTAL BENEFIT FUND (160)			\$410,000	\$410,000
 BLDG & STRUCT CONST TAX FD (429)				
<i>Bus Rapid Transit</i>	Traffic Capital Program		\$100,000	
<p>This action increases funding for the Bus Rapid Transit (BRT) program in the amount of \$100,000. Existing funding in the BRT program pays for the planning staff time and expenses the City incurs to support VTA's development of BRT. The additional funding is needed for project development expenses resulting from higher than anticipated staff resource needs to support the planning of BRT's Santa Clara/Alum Rock, El Camino Real, and Stevens Creek corridors.</p>				
<i>Capital Program and Public Works Department Support Service Costs</i>	Traffic Capital Program		\$50,000	
<p>This action increases the appropriation for Capital Program and Public Works Department Support Service Costs in the amount of \$50,000 as several capital improvement projects were inadvertently not included in the cost estimating module used to forecast Public Works Department Support Costs allocations.</p>				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		(\$1,628,000)	
<p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p>				
<i>San Carlos Multimodal Streetscape Improvements Phase I</i>	Traffic Capital Program		\$95,000	
<p>This action increases funding for the San Carlos Multimodal Streetscape Improvements Phase I project in the amount of \$95,000 due to unforeseen traffic signal and electrical installation issues causing delays in the project. The additional funding will allow for project completion and closeout.</p>				

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BLDG & STRUCT CONST TAX FD (429)				
<p><i>San Carlos Multimodal Streetscape Improvements Phase II</i></p> <p>This action increases funding for the San Carlos Multimodal Streetscape Improvements Phase II project in the amount of \$550,000 to address several unforeseen design challenges, especially with regard to utility conflicts. The additional funding of \$360,000 will provide for higher Public Works Department construction management expenses, and \$190,000 will be directed to VTA to redesign several facilities, including the relocation of light rail communication cabinets that were unknown until design work had been underway.</p>	Traffic Capital Program		\$550,000	
<p><i>The Alameda: A Plan for the Beautiful Way</i></p> <p>This action increases funding for The Alameda: A Plan for the Beautiful Way project in the amount of \$644,000 to complete additional design work. The project was designed with landscaping elements beyond the City's typical standard as the City had an expectation that a new Maintenance District would help maintain the enhanced landscaping elements. However, at the City Council meeting on March 27, 2012 where the votes were counted, the District failed to receive enough votes in favor of formation, so the project was redesigned to eliminate the enhanced landscaping elements. Further, once the project was advertised in October 2012, the lowest qualified bidder came in \$1.5 million over the grant amount authorized by the Metropolitan Transportation Commission. Therefore, the project was redesigned to reduce lighting, electrical and other non-essential elements higher cost elements, while still maintaining the core scope of the project intact.</p>	Traffic Capital Program		\$644,000	
<p><i>Traffic Signal Communications and Synchronization/ Earned Revenue</i></p> <p>This action increases funding for the Traffic Signal Communications and Synchronization project in the amount of \$291,000 to fund staff resources to complete the installation of project elements, including traffic surveillance cameras, wireless and network switch communication devices, traffic signal adaptive control detection equipment, and fiber optic cable. A portion of these funds will be made available by recognizing a vendor reimbursement of \$194,000. A decrease to the Ending Fund Balance of \$97,000 is also recommended elsewhere in this report to fund this action.</p>	Traffic Capital Program		\$291,000	\$194,000
<p><i>Traffic Signal and Lighting Program</i></p> <p>This action increases funding for the Traffic Signal and Lighting Program in the amount of \$108,000 for the following activities: the installation of streetlight control gateways at the end of 2011-2012 with the vendor submitting an invoice in July 2012 (\$50,000); a part-time intern to reconcile City and PG&E streetlight databases to ensure accurate billing, staffing and materials related to testing and commissioning of a newly installed LED control system (\$42,000); and the purchase and installation of a traffic control and LED fixture paid for by developer fees (\$16,000).</p>	Traffic Capital Program		\$108,000	\$16,000
TOTAL BLDG & STRUCT CONST TAX FD (429)			\$210,000	\$210,000

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
COMM DEV BLOCK GRANT FUND (441)				
<i>Code Enforcement Operations</i>	Planning, Bldg, & Code Enf		(\$31,000)	
<p>This action decreases the Code Enforcement Operations appropriation to reflect the reduced funding needed for non-personal/equipment expenses. As part of the 2012-2013 Adopted Operating Budget, six Code Enforcement Inspector positions were eliminated from this program; however, the associated reduction of the non-personal/equipment funding was inadvertently omitted.</p>				
<i>Ending Fund Balance Adjustment</i>	Planning, Bldg, & Code Enf		\$31,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL COMM DEV BLOCK GRANT FUND (441)			\$0	\$0
COMMTY FACIL REVENUE FUND (422)				
<i>Transfer to the General Fund/Earned Revenue (Hayes Center City Expenses)</i>	Finance		\$26,000	\$26,000
<p>This action increases the Transfer to the General Fund and the Earned Revenue estimate to fully reimburse the General Fund for eligible costs associated with the management of the Community Facilities Revenue Fund. The General Fund is eligible to be reimbursed for 50% of the cost of the Principal Accountant overseeing the Community Facilities Revenue Fund. This action adjusts the transfer to account for the full 50% cost of that position, the cost of which was inadvertently underestimated when the 2012-2013 transfer amount was established. An increase in the Eamed Revenue estimate from the Hayes Center to the City as reimbursement for agreed upon City expenses associated with the management of the Community Facilities Revenue Fund is recommended to offset this increased expenditure. A corresponding action to increase the Transfers revenue estimate in the General Fund from the Community Facilities Revenue Fund is included elsewhere in this report.</p>				
TOTAL COMMTY FACIL REVENUE FUND (422)			\$26,000	\$26,000
CONST/CONV TAX CENTRAL FD (390)				
<i>Earned Revenue - Construction and Conveyance Tax</i>	Parks & Comm Fac Dev Capital Program			\$5,760,000
<p>This action increases the Parks Construction and Conveyance Tax revenue estimate by \$5,760,000, from \$13,440,000 to \$19,200,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>				

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CONST/CONV TAX CENTRAL FD (390)				
<p><i>Transfer to the Council District 1 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 1 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$320,000	
<p><i>Transfer to the Council District 1 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 1 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 10 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 10 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$105,000	
<p><i>Transfer to the Council District 10 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 10 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 2 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 2 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$192,000	
<p><i>Transfer to the Council District 2 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 2 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 3 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 3 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$158,000	
<p><i>Transfer to the Council District 3 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 3 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	

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CONST/CONV TAX CENTRAL FD (390)				
<p><i>Transfer to the Council District 4 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 4 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$256,000	
<p><i>Transfer to the Council District 4 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 4 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 5 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 5 C&C Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$325,000	
<p><i>Transfer to the Council District 5 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 5 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 6 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 6 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$422,000	
<p><i>Transfer to the Council District 6 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 6 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 7 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 7 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$306,000	
<p><i>Transfer to the Council District 7 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 7 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	

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CONST/CONV TAX CENTRAL FD (390)				
<p><i>Transfer to the Council District 8 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 8 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$252,000	
<p><i>Transfer to the Council District 8 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 8 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the Council District 9 C&C Tax Fund: Needs-Based Allocation</i></p> <p>This action increases the Needs-Based Transfer to the Council District 9 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$268,000	
<p><i>Transfer to the Council District 9 C&C Tax Fund: Special Needs</i></p> <p>This action increases the Special Needs Transfer to the Council District 9 Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$66,000	
<p><i>Transfer to the General Fund: Parks Eligible Maintenance Costs</i></p> <p>This action increases the transfer to the General Fund for operating and maintenance costs to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. Per previous City Council direction, 15% of all the Parks Construction and Conveyance Tax revenue must be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.</p>	Parks & Comm Fac Dev Capital Program		\$864,000	
<p><i>Transfer to the Parks City-Wide C&C Tax Fund</i></p> <p>This action increases the transfer allocation to the Parks City-Wide Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>	Parks & Comm Fac Dev Capital Program		\$1,632,000	
TOTAL CONST/CONV TAX CENTRAL FD (390)			\$5,760,000	\$5,760,000

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX COMM FUND (397)				
<i>Earned Revenue - Construction and Conveyance Tax</i>	Communications Capital Program			\$306,000
<p>This action increases the Communications Construction and Conveyance Tax revenue estimate by \$306,000, from \$714,000 to \$1,020,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>				
<i>Ending Fund Balance Adjustment</i>	Communications Capital Program		\$306,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL CONST/CONV TAX COMM FUND (397)			\$306,000	\$306,000
CONST/CONV TAX FIRE FUND (392)				
<i>Earned Revenue - Construction and Conveyance Tax</i>	Public Safety Capital Program			\$756,000
<p>This action increases the Fire Construction and Conveyance Tax revenue estimate by \$756,000, from \$1,764,000 to \$2,520,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>				
<i>Reserve: Facilities Improvements</i>	Public Safety Capital Program		\$756,000	
<p>This action establishes a reserve for fire facilities improvements in the amount of \$756,000 to fund urgent facility maintenance and repairs. There are many fire stations that are more than fifty years old and are recently showing signs of significant maintenance and repair needs. This reserve will help to ensure that funding is available for any critical fire station needs that may arise in the near future.</p>				
TOTAL CONST/CONV TAX FIRE FUND (392)			\$756,000	\$756,000

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CONST/CONV TAX LIBRARY FD (393)				
<i>Earned Revenue - Construction and Conveyance Tax</i>	Library Capital Program			\$1,280,000
<p>This action increases the Library Construction and Conveyance Tax revenue estimate by \$1,280,000, from \$2,986,000 to \$4,266,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>				
<i>Ending Fund Balance Adjustment</i>	Library Capital Program		\$1,280,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL CONST/CONV TAX LIBRARY FD (393)			\$1,280,000	\$1,280,000
CONST/CONV TAX PK CD 1 FUND (377)				
<i>Council District 1 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$320,000
<p>This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>				
<i>Council District 1 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
<p>This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$386,000	
<p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>				
TOTAL CONST/CONV TAX PK CD 1 FUND (377)			\$386,000	\$386,000
CONST/CONV TAX PK CD 2 FUND (378)				
<i>Council District 2 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$192,000
<p>This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>				
<i>Council District 2 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
<p>This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.</p>				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$258,000	
<p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
TOTAL CONST/CONV TAX PK CD 2 FUND (378)			\$258,000	\$258,000
CONST/CONV TAX PK CD 3 FUND (380)				
<i>Council District 3 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$158,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Council District 3 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$224,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 3 FUND (380)			\$224,000	\$224,000
CONST/CONV TAX PK CD 4 FUND (381)				
<i>Council District 4 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$256,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Council District 4 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$322,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 4 FUND (381)			\$322,000	\$322,000
CONST/CONV TAX PK CD 5 FUND (382)				
<i>Council District 5 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$325,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Council District 5 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PK CD 5 FUND (382)				
Ending Fund Balance Adjustment	Parks & Comm Fac Dev Capital Program		\$391,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 5 FUND (382)			\$391,000	\$391,000
CONST/CONV TAX PK CD 6 FUND (384)				
Council District 6 C&C Tax Fund: Needs-Based Transfer	Parks & Comm Fac Dev Capital Program			\$422,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
Council District 6 C&C Tax Fund: Special Needs Transfer	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
Ending Fund Balance Adjustment	Parks & Comm Fac Dev Capital Program		\$488,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 6 FUND (384)			\$488,000	\$488,000
CONST/CONV TAX PK CD 7 FUND (385)				
Council District 7 C&C Tax Fund: Needs-Based Transfer	Parks & Comm Fac Dev Capital Program			\$306,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
Council District 7 C&C Tax Fund: Special Needs Transfer	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
Ending Fund Balance Adjustment	Parks & Comm Fac Dev Capital Program		\$372,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 7 FUND (385)			\$372,000	\$372,000
CONST/CONV TAX PK CD 8 FUND (386)				
Council District 8 C&C Tax Fund: Needs-Based Transfer	Parks & Comm Fac Dev Capital Program			\$252,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PK CD 8 FUND (386)				
<i>Council District 8 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$318,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 8 FUND (386)			\$318,000	\$318,000
CONST/CONV TAX PK CD 9 FUND (388)				
<i>Council District 9 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$268,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Council District 9 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$334,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD 9 FUND (388)			\$334,000	\$334,000
CONST/CONV TAX PK CD10 FD (389)				
<i>Council District 10 C&C Tax Fund: Needs-Based Transfer</i>	Parks & Comm Fac Dev Capital Program			\$105,000
This action increases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Council District 10 C&C Tax Fund: Special Needs Transfer</i>	Parks & Comm Fac Dev Capital Program			\$66,000
This action increases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections.				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		\$171,000	
This action increases the Ending Fund Balance to offset actions recommended in this report.				
TOTAL CONST/CONV TAX PK CD10 FD (389)			\$171,000	\$171,000

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PK YARDS FD (398)				
<p><i>Earned Revenue - Construction and Conveyance Tax</i></p> <p>This action increases the Park Yards Construction and Conveyance Tax revenue estimate by \$108,000, from \$252,000 to \$360,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>	Parks & Comm Fac Dev Capital Program			\$108,000
<p><i>Ending Fund Balance Adjustment</i></p> <p>This action increases the Ending Fund Balance to offset actions recommended in this report.</p>	Parks & Comm Fac Dev Capital Program		\$92,000	
<p><i>Transfer to the General Fund: Park Yards Operating and Maintenance Expenses</i></p> <p>This action increases the transfer to the General Fund for operating and maintenance costs to reflect higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. Per previous City Council direction, 15% of all the Park Yards Construction and Conveyance Tax revenue must be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.</p>	Parks & Comm Fac Dev Capital Program		\$16,000	
TOTAL CONST/CONV TAX PK YARDS FD (398)			\$108,000	\$108,000
 CONST/CONV TAX SRVC YDS FD (395)				
<p><i>Earned Revenue - Construction and Conveyance Tax</i></p> <p>This action increases the Service Yards Construction and Conveyance Tax revenue estimate by \$790,000, from \$1,844,000 to \$2,634,000, due to higher than anticipated year-to-date Construction and Conveyance Tax revenue collections. The overall Construction and Conveyance Tax estimate is recommended to increase from \$21.0 million to \$30.0 million to reflect the increased activity in the local real estate market. Further detail regarding the performance of the Construction and Conveyance Tax revenue 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>	Service Yards Capital Program			\$790,000
<p><i>Reserves: Debt Service Payments</i></p> <p>This action establishes a reserve for debt service payments in the amount of \$790,000 to offset General Fund contributions to the debt service payments related to the Central Service Yard Phase I project. In 2012-2013, the General Fund is contributing \$1.3 million of the total \$1.7 million debt service payment.</p>	Service Yards Capital Program		\$790,000	
TOTAL CONST/CONV TAX SRVC YDS FD (395)			\$790,000	\$790,000

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 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>Bicycle and Pedestrian Facilities/Earned Revenue</i>	Traffic Capital Program		\$48,000	\$48,000
This action increases the Earned Revenue estimate and funding for the Bicycle and Pedestrian Facilities project in the amount of \$48,000 due to a state Transportation Fund for Clean Air grant for the purchase and installation of public bike racks.				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		(\$487,000)	
This action decreases the Ending Fund Balance to offset actions recommended elsewhere in this report.				
<i>Jackson Avenue and Alexian Drive Pedestrian Improvements/Earned Revenue</i>	Traffic Capital Program		\$125,000	\$125,000
This action increases the Earned Revenue estimate and funding for the Jackson Avenue and Alexian Drive Pedestrian Improvements project in the amount of \$125,000. Developer fees received from Falk Development, Inc. will be used for the purchase and installation of pedestrian flashing beacons and other minor improvements.				
<i>Land Management and Weed Abatement</i>	Traffic Capital Program		\$25,000	
This action increases funding for the Land Management and Weed Abatement project in the amount of \$25,000 for unplanned tree trimming work on City property, replacement of 500 feet of sidewalk at 500 S. 1st Street, and additional security fencing around vacant City properties.				
<i>Montague Expressway NSJ - County Settlement Agreement</i>	Traffic Capital Program		(\$2,000,000)	
This action decreases funding for the Montague Expressway NSJ - County Settlement Agreement in the amount of \$2.0 million, from \$6.0 million to \$4.0 million, to reflect the settlement payment schedule agreed to with the County of Santa Clara. According to the schedule, \$4 million will be paid from the City to the County in 2012-2013, \$2.0 million per year from 2013-2014 to 2015-2016, and a final payment of \$1 million in 2016-2017, yielding a total payment of \$11.0 million. Establishment of a \$2.0 million reserve for the 2013-2014 payment is recommended elsewhere in this report.				
<i>Pavement Maintenance - City/Earned Revenue</i>	Traffic Capital Program		\$392,453	\$392,453
The action increases the Earned Revenue estimate and funding for the Pavement Maintenance - City project in the amount of \$392,453 to recognize funds from the County of Santa Clara for maintenance of streets relinquished by the County to the City.				
<i>Reserve - Pavement Maintenance - State Gas Tax/Earned Revenue</i>	Traffic Capital Program		\$1,814,549	\$1,814,549
This action increases the Earned Revenue estimate in the amount of \$1,814,549 to recognize unanticipated State Gas Tax revenue, and establishes a Pavement Maintenance - State Gas Tax reserve in the same amount for use in 2013-2014.				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 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>Reserve – Evergreen Traffic Impact Fees/Earned Revenue</i>	Traffic Capital Program		\$1,167,406	\$1,167,406
<p>This action increases the estimate for Earned Revenue and funding to the Reserve – Evergreen Traffic Impact Fees in the amount of \$1,167,406 to reflect actual traffic impact fees collected from developers through December 2012. The funds are restricted to traffic improvements within the Evergreen Area and will be allocated as projects are identified.</p>				
<i>Reserve – Montague Expressway NSJ - County Settlement Agreement</i>	Traffic Capital Program		\$2,000,000	
<p>This action establishes a reserve in the amount of \$2.0 million for the 2013-2014 payment to the County of Santa Clara according to an agreed upon settlement payment schedule between the City and County. According to the schedule, \$4 million will be paid from the City to the County in 2012-2013, \$2.0 million per year from 2013-2014 to 2015-2016, and a final payment of \$1 million in 2016-2017, yielding a total payment of \$11.0 million. A decrease in the \$2.0 million appropriation for the 2012-2013 payment is addressed elsewhere in this report.</p>				
<i>Reserve – North San José Traffic Impact Fees/Earned Revenue</i>	Traffic Capital Program		\$2,989,484	\$2,989,484
<p>This action increases the estimate for Earned Revenue and funding to the Reserve – North San José Traffic Impact Fees in the amount of \$2,989,484 to reflect actual traffic impact fees collected from developers through December 2012. The funds are restricted to traffic improvements within the North San José area and will be allocated as projects are identified.</p>				
<i>Safe Access San José</i>	Traffic Capital Program		\$100,000	
<p>This action increases funding for the Safe Access San José project in the amount of \$100,000 to finish traffic signal design and start Safe Access route evaluation, thereby enabling environmental work to complete so that the remaining \$470,000 of the Metropolitan Transportation Commission Climate Initiative grant can be obligated. This project constructs a variety of traffic and pedestrian safety improvements, such as roadway markings, signage, crosswalk enhancements, and ADA ramps along designated safe routes to school.</p>				
<i>Safety: Traffic Signals & Rehabilitation/Earned Revenue</i>	Traffic Capital Program		\$127,000	\$127,000
<p>This action increases the Earned Revenue estimate and increases funding for the Safety: Traffic Signals & Rehabilitation project in the amount of \$127,000. The City has secured Vehicle Registration Fee grant funding from the VTA to repair critical traffic signal communications on First Street, Brokaw Road, and McKee Road corridors, and install vehicle detection sensors at signalized intersections city-wide.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 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)				
<p><i>San Fernando Street Enhanced Bikeway and Pedestrian Access</i></p> <p>This action increases funding for the San Fernando Street Enhanced Bikeway and Pedestrian Access project in the amount of \$318,000 to finalize design and take the project into construction. Of this amount, \$95,000 is needed to fund design changes requested by various stakeholders relatively late in the design process, and \$223,000 is needed for Public Works Department construction support that was not planned to be requested until the final scope of construction was known.</p>	Traffic Capital Program		\$318,000	
<p><i>Streetlight Turn On</i></p> <p>Establishes an appropriation to turn on 900 streetlights, primarily along arterial streets, that were previously darkened in 2008-2009 due to budget reductions. Beginning in March, approximately 225 streetlights will be turned on each month, improving the public safety and appearance of these routes. One-time costs totaling \$44,000 are needed for equipment, materials, and overtime to replace various lamps and fuses. The increased electricity costs in 2012-2013 can be absorbed due to one-time PG&E credits related to LED installations. If approved, the ongoing annual electricity cost of \$92,000 will be included in the General Fund as part of the Department of Transportation's 2013-2014 Base Budget.</p>	Traffic Capital Program		\$44,000	
			\$6,663,892	\$6,663,892
CONV/CULTURAL AFFAIRS FUND (536)				
<p><i>Civic Auditorium and Center for the Performing Arts Naming Rights Revenue/Marketing and Capital Impr</i></p> <p>This action increases the Earned Revenue estimate to recognize revenue from City National Bank in the amount of \$1,200,000 for naming rights to the Civic Auditorium and the Center for the Performing Arts (CPA). This action also establishes an appropriation to disburse the naming rights funds to Team San Jose for use in marketing the Civic Auditorium and CPA and conducting various capital improvements at both facilities (\$870,000), and will fund \$330,000 for an incentive payment to Front Row and Nederlander Concerts for their efforts in securing the naming rights partnership.</p>	Convention Facilities Dept		\$1,200,000	\$1,200,000
<p><i>Convention Facilities Revenue and Expense</i></p> <p>This action increases the estimate for Earned Revenue in the amount of \$6,300,000 and increases the appropriation for Convention Facilities Operations in the amount of \$5,100,000. The Convention and Cultural facilities operated by Team San Jose continue to see greater than anticipated activity. The resulting increased sales result in greater revenues, especially related to food and beverage and contract labor, which also have corresponding expenditures. The recommended revenue and expenditure adjustments are estimates based on bookings to date. As more bookings are scheduled later in the year, these estimates could rise further, warranting adjustment at year-end. Staff will continue to track these appropriations over the coming months.</p>	Convention Facilities Dept		\$5,100,000	\$6,300,000

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 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>Ending Fund Balance Adjustment</i>	Convention Facilities Dept		\$750,000	
This action increases the Ending Fund Balance by \$750,000 to offset other actions recommended in this report.				
<i>Miscellaneous Improvements and Repairs</i>	Convention Facilities Dept		\$500,000	
This action increases the appropriation for Miscellaneous Improvements and Repairs in the amount of \$500,000 to address a large unanticipated volume of urgent repairs and maintenance issues experienced at the Convention Center and Center for the Performing Arts. Such expenditures for equipment replacement and major repairs fall outside of typical operating expenses. The additional funds will be spent on items such as carts, trash cans, kitchen equipment, pressure washing equipment, and electrical maintenance equipment.				
<i>Team San Jose Incentive Fee</i>	Convention Facilities Dept		(\$200,000)	
This action eliminates the Team San Jose Incentive Fee appropriation, resulting in an expenditure reduction in the amount of \$200,000. In 2011-2012, Team San Jose (TSJ) achieved only 84% of the target for theatre performance days. While TSJ achieved an overall weighted incentive fee score of nearly 137 percent for 2011-2012, which would typically earn it the maximum incentive fee of \$350,000, the Management Agreement stipulates that TSJ must achieve at least 90 percent of each measure to receive any incentive fee.				
<i>Coffee Shop & Business Center Procurement</i>	Public Works		\$150,000	
This action establishes an appropriation in the amount of \$150,000 for the Department of Public Works to develop and administer a Request for Proposal (RFP) process to select two separate vendors for coffee concessions and business center services at the newly remodeled Convention Center. The Coffee Shop RFP will select an operator/vendor to establish a coffee concessions site at the Convention Center Plaza. In return for receiving a prime downtown location on City property, it is anticipated that the operator/vendor will provide funding in the form of a loan or prepaid lease to construct related improvements and final build-out of the plaza. The Business Center RFP will select an operator/vendor to add essential services to event managers and participants, such as printing, copying, shipping, electronic communication, and office supplies. In return, the operator/vendor shall pay to the City as a Concession Fee, the greater of a Minimum Annual Guarantee or a Percentage Fee of revenues as spelled out in the RFP. This appropriation only provides funding for staff time related to the RFP process; all construction and other physical improvement costs will be borne by the selected operators/vendors.				
TOTAL CONV/CULTURAL AFFAIRS FUND (536)			\$7,500,000	\$7,500,000

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
DENTAL INSURANCE FUND (155)				
<i>Human Resources Department Non-Personal/Equipment</i>				
<p>This action increases Human Resources Department's Non-Personal/Equipment appropriation by \$10,000 to provide funding for higher than anticipated expenditures. The Non-Personal/Equipment appropriation is estimated to exceed budgeted levels for the year due to the use of a temporary agency to backfill two vacant positions in Employee Benefits. Total agency costs for these positions is \$45,000, however, only \$10,000 is required due to savings in the administrative fees for the Delta Dental PPO plan. A corresponding decrease to the Personal Services appropriation is also recommended in this report.</p>	Human Resources		\$10,000	
<i>Human Resources Personal Services</i>				
<p>This action decreases Human Resources' Personal Services allocation by \$10,000 to offset the higher than anticipated temporary agency expenditures in the Non-Personal/Equipment appropriation. Vacancy savings are available due to two Staff Technician positions being vacant for several months during the year.</p>	Human Resources		(\$10,000)	
TOTAL DENTAL INSURANCE FUND (155)			\$0	\$0
DOWNTOWN PBID FUND (302)				
<i>Downtown Property & Business Improvement District</i>				
<p>This action increases the Downtown Property & Business Improvement District (PBID) appropriation to account for PBID revenues not previously distributed. Due to delayed 2011-2012 property assessment billings, combined with the reconciliation performed at the close-out of the first PBID contract, additional revenues from the prior year have been identified that need to be distributed to the San José Downtown Property Owners Association in March.</p>	Transportation		\$37,500	
<i>Downtown Property & Business Improvement District Fund General Fund Transfer</i>				
<p>This action decreases the Transfer from the General Fund the Downtown Property & Business Improvement District (PBID) Fund by \$4,029 from \$623,920 to \$619,891. On August 7, 2007, the City Council approved formation of the Downtown PBID for a five-year period ending December 31, 2012, and directed assessments to be levied and collected. A reconciliation of the fund's finances at the close of the current contract indicated that the net transfers from the General Fund for assessments of City properties and the baseline level of service were higher than needed. A downward adjustment of \$4,029 to the 2012-2013 General Fund transfer will align with PBID fund obligations.</p>	Transportation			(\$4,029)
<i>Ending Fund Balance Adjustment</i>				
<p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p>	Transportation		(\$41,529)	
TOTAL DOWNTOWN PBID FUND (302)			(\$4,029)	(\$4,029)

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
FEDERAL DRUG FORFEITURE FUND (419)				
<i>Ending Fund Balance Adjustment</i>	Police		\$721,616	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Police Department Personal Services</i>	Police		(\$434,182)	
This action decreases the Police Department's Personal Services appropriation by the amount budgeted for the 16 2010 and three 2011 COPS Hiring Grant Police Officer positions in 2012-2013. The COPS grant funding reimburses the Department for the cost of the 19 entry level Police Officer positions; however, because the actual cost of the positions is higher than the grant reimbursement, the difference was budgeted in the Federal Asset Forfeiture Fund. The United States Department of Justice recently determined that the Federal Asset Forfeiture Fund cannot cover the costs associated with the COPS Hiring Grant, but the State Asset Forfeiture Fund can cover these costs. A corresponding action to budget the 2012-2013 costs in the State Asset Forfeiture Fund is recommended elsewhere in this report.				
<i>Transfer from the State Asset Forfeiture Fund</i>	Police			\$287,434
This action establishes a transfer from the State Asset Forfeiture Fund to reimburse the Federal Asset Forfeiture Fund for 2011-2012 expenditures related to the 16 2010 and three 2011 COPS Hiring Grant Police Officer positions. The COPS grant funding reimburses the Department for the cost of the 19 entry level Police Officer positions; however, because the actual cost of the positions is higher than the grant reimbursement, the difference was budgeted and expended in the Federal Asset Forfeiture Fund in 2011-2012. The United States Department of Justice recently determined that the Federal Asset Forfeiture Fund cannot cover the costs associated with COPS Hiring Grant, but the State Asset Forfeiture Fund can cover these costs. A corresponding action to establish a transfer to the Federal Asset Forfeiture Fund is recommended elsewhere in this report.				
TOTAL FEDERAL DRUG FORFEITURE FUND (419)			\$287,434	\$287,434
 GIFT TRUST FUND (139)				
<i>Library - General Gifts/Earned Revenue</i>	Library		\$41,798	\$41,798
This action increases the Library - General Gifts appropriation and Earned Revenue estimate to recognize and appropriate gifts made in support of the following: Cambrian Branch Library (\$9,725), Almaden Branch Library (\$8,100), general library needs (from vending commissions, \$7,253), Evergreen Branch Library (\$3,000), Pearl Avenue Branch Library (\$2,100), Vineland Branch Library (\$1,825), Rose Garden Branch Library (\$1,798), Willow Glen Branch Library (\$1,508), Dr. Martin Luther King Jr. Library (\$1,500), Beryessa Branch Library (\$1,500), Alum Rock Branch Library (\$1,125), Edenvale Branch Library (\$875), Santa Teresa Branch Library (\$500), and Hillview Branch Library (\$300). The funding will be used for programming, supplies, and materials.				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
GIFT TRUST FUND (139)				
<i>Lake Cunningham Skate Park/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$2,204	\$2,204
This action increases the Lake Cunningham Skate Park appropriation and the corresponding Earned Revenue estimate by \$2,204 to recognize a gift and associated interest from the Fox Head apparel company, a well-known world-wide motorcross apparel company. These funds will be used to offset operating costs at the Skate Park.				
<i>Mayor's Gang Prevention Task Force Clean Slate Program/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$3,000	\$3,000
This action increases the Mayor's Gang Prevention Task Force Clean Slate Program appropriation and increases the corresponding estimate for Earned Revenue in the amount of \$3,000 to recognize a gift from an anonymous donor. These funds will be used for program supplies, graduation expenses, and general support of participants.				
<i>RP & CS General Gifts Over \$1,000/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$1,933	\$1,933
This action increases the Recreation, Parks, and Community Services (RP & CS) General Gifts Over \$1,000 appropriation and increases the corresponding estimate for Earned Revenue by \$1,933 to recognize and appropriate a gift to fund the purchase and installation of a dedicated park bench at Carrabelle Park in Council District 10.				
<i>Rose Garden Fountain/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$5,406	\$5,406
This action increases the Rose Garden Fountain appropriation and increases the corresponding Earned Revenue estimate by \$5,406 to accept and recognize a gift and associated interest earnings from the Friends of the San José Rose Garden to continue the funding of the monthly maintenance of the Rose Garden Fountain.				
<i>Safe Summer Initiative/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$15,015	\$15,015
This action increases the Safe Summer Initiative appropriation and the corresponding Earned Revenue estimate by \$15,015 to recognize and appropriate a gift and associated interest that support the Safe Summer Initiative Program. The Safe Summer Initiative Program engages youth between the ages of six and 18 through fun and safe community events and activities during the summer months, and is intended to encourage youth to participate in outdoor activities and build social skills.				
<i>San José Vietnam War Memorial/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$12,004	\$12,004
This action establishes the San José Vietnam War Memorial appropriation and a corresponding estimate for Earned Revenue in the amount of \$12,004 to recognize a gift and associated interest to be used toward the long-term maintenance needs of this new San Jose landmark. These funds were raised by the San Jose Vietnam War Memorial Foundation.				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
GIFT TRUST FUND (139)				
<p><i>Coleman/Guadalupe Traffic Study and Mitigation/Earned Revenue</i></p> <p>This action establishes a Coleman/Guadalupe Traffic Study and Mitigation appropriation and increases the corresponding Earned Revenue estimate by \$15,000 to accept and recognize a gift from Brookfield Brookside, LLC to conduct traffic study on the section of Camden Avenue between Coleman Avenue/Guadalupe Mines Road and Hicks Road.</p>	Transportation		\$15,000	\$15,000
<p><i>ThinkBike Workshop/Earned Revenue</i></p> <p>This action establishes a ThinkBike Workshop appropriation and increases the estimate for Earned Revenue by \$1,000 to accept and recognize a gift from the Mineta Transportation Institute to defray the costs of a ThinkBike workshop the City hosted in October 2012, aimed at encouraging bicycle use.</p>	Transportation		\$1,000	\$1,000
			\$97,360	\$97,360
HOUSING TRUST FUND (440)				
<p><i>Ending Fund Balance Adjustment</i></p> <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>	Housing		(\$167,150)	
<p><i>Housing Department Personal Services</i></p> <p>This action increases the Housing Department's Personal Services appropriation as a result of increased staffing expenditures spent on handling issues associated with the City's homeless activities. This increase will provide funding for a temporary position (\$81,250) to focus on the broad concern of encampments, the impacts of homeless encampments on neighborhoods, and the need to connect the homeless residents with services and housing. Also, this action will provide for the reallocation of existing staffing resources (from the Multi-Source Housing Fund to the Housing Trust Fund) to work on immediate issues with homeless activities (\$85,000). A corresponding decrease of \$85,000 to the Housing Department's Personal Services appropriation in the Multi-Source Housing Fund is also recommended in this report.</p>	Housing		\$167,150	
			\$0	\$0
TOTAL HOUSING TRUST FUND (440)				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
INTEGRATED WASTE MGT FUND (423)				
<i>AB 939 Settlement Funds from County of Santa Clara</i>	Environmental Services			\$880,530
<p>This action increases the AB 939 Revenue-Landfill revenue estimate from \$900,000 to \$1.8 million. In September 2012, Santa Clara County notified the City that in October 2012, it would receive an allocation of funds from a settlement between the County and Waste Management, Inc., for unpaid Source Reduction and Recycling Fees (AB 939 fees) for solid waste disposed at Kirby Canyon Landfill. The County is authorized by the City to collect AB 939 fees from landfills through an agency agreement between the County and each city in the County and to remit a portion of these fees to cities for their waste diversion programs. County AB 939 fees are divided into two parts: the part remitted back to each jurisdiction and the part the County uses to run the Household Hazardous Waste (HHW) program. ESD received \$369,091 for the jurisdictional portion and \$511,439 for the HHW program. Since the payment of these funds is a settlement of unpaid AB 939 fees, these funds are restricted. The HHW part of the fee is further restricted by the City's agreement with the County which stipulates that unused HHW funds remitted to cities can only be used to support HHW activities (i.e. HHW facility capital costs, operational costs, and public outreach). These settlement funds were not included in the 2012-2013 Adopted Operating Budget as the litigation had not been settled.</p>				
<i>Environmental Services Department Non-Personal/Equipment</i>	Environmental Services		\$880,530	
<p>This action increases the Non-Personal/Equipment appropriation to fund the construction of the Environmental Innovation Center (EIC), including permanent HHW Facility. As a result of the hazardous material abatement inside the existing warehouse, the EIC's Phase II construction timeline has been significantly extended, and is now anticipated to be completed in late September 2013. ESD is anticipating incurring an additional \$480,530 in project delivery costs including those associated with inspections and consultant contracts. The Department of Public Works is also forecasting a shortage in contingency funding and this recommendation will increase the contingency in the amount of \$400,000 for the Phase II construction. The additional contingency funds would be utilized to process payments of change orders associated with the hazardous material abatement and compliance with worker safety regulations, and other unknown conditions if needed.</p>				
TOTAL INTEGRATED WASTE MGT FUND (423)			\$880,530	\$880,530
LIBRARY PARCEL TAX FUND (418)				
<i>Ending Fund Balance Adjustment</i>	Library		\$53,902	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
LIBRARY PARCEL TAX FUND (418)				
<i>Partners in Reading Program Technical Adjustment</i>	Library		(\$53,902)	
<p>This action decreases the Library Department's Personal Services appropriation for the Adult Literacy and Families for Literacy programs. As part of State budget reductions, a grant which previously supported literacy programs in the General Fund was suspended indefinitely in 2011-2012. Actions taken in the 2012-2013 Adopted Budget restored funding for this position with Library Parcel Tax funding. However, the City has since been notified that it will once again receive this grant in 2012-2013, therefore funding is no longer necessary in the Library Parcel Tax Fund. A corresponding action to recognize the grant funding in the General Fund is included elsewhere in this report.</p>				
TOTAL LIBRARY PARCEL TAX FUND (418)			\$0	\$0
M.D. #15 SILVER CREEK FUND (368)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$6,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Workers' Compensation Claims</i>	Transportation		\$6,000	
<p>This action increases the Workers' Compensation Claims appropriation by \$6,000 due to higher than anticipated claims activity in the Department of Transportation.</p>				
TOTAL M.D. #15 SILVER CREEK FUND (368)			\$0	\$0
M.D. #18 MEADOWLANDS FUND (372)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$15,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Non-Personal/Equipment</i>	Transportation		\$15,000	
<p>This action increases the Non-Personal/Equipment appropriation to provide for irrigation repairs, painting of entryway monuments, and plant replacement needed in the district.</p>				
TOTAL M.D. #18 MEADOWLANDS FUND (372)			\$0	\$0
MULTI-SOURCE HOUSING FD (448)				
<i>Ending Fund Balance Adjustment</i>	Housing		\$58,740	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Housing Department Personal Services</i>	Housing		(\$85,000)	
<p>This action decreases the Housing Department's Personal Services appropriation as a result of the reallocation of existing staffing resources (from the Multi-Source Housing Fund to the Housing Trust Fund) to work on immediate issues with homeless activities. A corresponding increase to the Housing Department's Personal Services appropriation in the Housing Trust Fund is also recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 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>Water Street Project</i>	Housing		\$26,260	
<p>This action establishes the Water Street Project. The Housing Department will purchase one property located on Water Street this fiscal year and rehabilitate and resell the property to a qualified moderate income household. This action is consistent with the purpose of this fund.</p>				
TOTAL MULTI-SOURCE HOUSING FD (448)			\$0	\$0
MUNICIPAL GOLF COURSE FUND (518)				
<i>Ending Fund Balance Adjustment</i>	Parks, Rec, & Neigh Svcs		(\$115,000)	
<p>This action decreases the Ending Fund Balance to offset the action described below.</p>				
<i>Los Lagos Golf Course</i>	Parks, Rec, & Neigh Svcs		\$115,000	
<p>This action increases the Los Lagos Golf Course expenditure appropriation in the Municipal Golf Course Fund by \$115,000. This appropriation covers payments to course operators in months when course fees are unable to cover the fixed costs of operating the facilities. Activity during the months of July through September increased above last year's levels, however activity levels declined significantly during October through December, fully expending the Los Lagos Golf Course annual allocation of \$115,000. The Parks, Recreation and Neighborhood Services Department is actively working with the course operator to ensure that the operator is minimizing costs to the extent possible while maintaining the course to the required standards. A corresponding decrease to the Ending Fund Balance is recommended above.</p>				
TOTAL MUNICIPAL GOLF COURSE FUND (518)			\$0	\$0
PUBLIC WKS PRO SUPPORT FD (150)				
<i>City's Standard Plans and Specifications Loan Reimbursement</i>	Public Works		\$8,254	
<p>This action transfers a portion of the final payment for the City's Standard Plans and Specifications long-term loan in the amount of \$8,254. The remaining balance of the City's Standard Plans and Specifications long-term loan in the amount of \$1,456 will be accounted for in the year-end reconciliation of revenues and expenses in the General Fund Public Works Development Fee Program. This funding is recommended to be used to offset other budget action as described in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Works		(\$8,254)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL PUBLIC WKS PRO SUPPORT FD (150)			\$0	\$0
SEWER SVC & USE CHARGE FD (541)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$32,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SEWER SVC & USE CHARGE FD (541)				
<i>Information Technology Personal Services</i>	Information Technology		\$25,000	
<p>This action increases the Information Technology Department's Personal Services appropriation to reflect higher than anticipated staffing costs. Since the development of the 2012-2013 Adopted Budget, a vacant Division Manager position was filled and hired at a salary higher than budgeted, causing a projected overage.</p>				
<i>Planning, Building and Code Enforcement Department Personal Services</i>	Planning, Bldg, & Code Enf		\$7,000	
<p>This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation to reflect higher than anticipated staffing costs. Since the development of the 2012-2013 Adopted Budget, a vacant Division Manager position was filled and hired at a salary higher than budgeted, causing a projected overage.</p>				
TOTAL SEWER SVC & USE CHARGE FD (541)			\$0	\$0
 SEWER SVC & USE CHG CAP FD (545)				
<i>Japantown Sewer Infrastructure/Earned Revenue</i>	Public Works		\$73,577	\$73,577
<p>This action increases the estimate for Earned Revenue and Ending Fund Balance to reflect a grant reimbursement from the Environmental Protection Agency for the Japantown Sewer Infrastructure project that was completed in 2011-2012.</p>				
TOTAL SEWER SVC & USE CHG CAP FD (545)			\$73,577	\$73,577
 STATE DRUG FORF FUND (417)				
<i>Ending Fund Balance Adjustment</i>	Police		(\$721,616)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Police Department Personal Services</i>	Police		\$434,182	
<p>This action increases the Police Department's Personal Services appropriation by the amount budgeted for the 16 2010 and three 2011 COPS Hiring Grant Police Officer positions in 2012-2013. The COPS grant funding reimburses the Department for the cost of the 19 entry level Police Officer positions; however, because the actual cost of the positions is higher than the grant reimbursement, the difference was budgeted in the Federal Asset Forfeiture Fund. The United States Department of Justice recently determined that the Federal Asset Forfeiture Fund cannot cover the costs associated with COPS Hiring Grant, but the State Asset Forfeiture Fund can cover these costs. A corresponding action to reduce the budget for the 2012-2013 costs in the Federal Asset Forfeiture Fund is recommended elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
STATE DRUG FORF FUND (417)				
<i>Transfer to the Federal Asset Forfeiture Fund</i>	Police		\$287,434	
<p>This action establishes a transfer to the Federal Asset Forfeiture Fund to reimburse the federal fund for 2011-2012 expenditures related to the 16 2010 and three 2011 COPS Hiring Grant Police Officer positions. The COPS grant funding reimburses the Department for the cost of the 19 entry level Police Officer positions; however, because the actual cost of the positions is higher than the grant reimbursement, the difference was budgeted and expended in the Federal Asset Forfeiture Fund in 2011-2012. The United States Department of Justice recently determined that the Federal Asset Forfeiture Fund cannot cover the costs associated with COPS Hiring Grant, but the State Asset Forfeiture Fund can cover these costs. A corresponding action to establish a transfer from the State Asset Forfeiture Fund is recommended elsewhere in this report.</p>				
TOTAL STATE DRUG FORF FUND (417)			\$0	\$0
STORM SEWER CAPITAL FUND (469)				
<i>Transfer from Alviso Ring Levee Fund</i>	Environmental Services		\$444,872	\$444,872
<p>This action liquidates the Alviso Ring Levee Fund (\$444,872) and transfers the funds to the Storm Sewer Capital Fund. The fund was created to record the deposit of direct assessments originally from properties identified in the "Alviso Ring Levee Special Benefit District" in order to construct portions of a ring levee around the community of Alviso. Established in 1983, moneys deposited in this fund were used for the construction of the southeast section of the Alviso Ring Levee, which was completed several years ago. The ordinance that established this fund provides that upon completion of the levee, any remaining balance be transferred to the Storm Sewer Capital Fund.</p>				
TOTAL STORM SEWER CAPITAL FUND (469)			\$444,872	\$444,872
STORM SEWER OPERATING FD (446)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$21,400)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Information Technology Personal Services</i>	Information Technology		\$10,000	
<p>This action increases the Information Technology Department's Personal Services appropriation to reflect higher than anticipated staffing costs. Since the development of the 2012-2013 Adopted Budget, a vacant Division Manager position was filled and hired at a salary higher than budgeted, causing a projected overage.</p>				
<i>Planning, Building and Code Enforcement Department Personal Services</i>	Planning, Bldg, & Code Enf		\$11,400	
<p>This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation to reflect higher than anticipated staffing costs. Since the development of the 2012-2013 Adopted Budget, a vacant Division Manager position was filled and hired at a salary higher than budgeted, causing a projected overage.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
TOTAL STORM SEWER OPERATING FD (446)			\$0	\$0
SUBDIVISION PARK TRUST FUND (375)				
<i>Earned Revenue - Parkland Dedication Fees</i>	Parks & Comm Fac Dev Capital Program			\$938,000
This action increases the estimate for Earned Revenue by \$938,000 to recognize the receipt of Parkland Dedication Fees from Thompson/Dorfman Partners, LLC for costs associated with design review and inspection of Riverview Park. A corresponding recommendation is included in this report to allocate this funding to the Riverview Park Design Review and Inspection appropriation.				
<i>Martin Park Expansion</i>	Parks & Comm Fac Dev Capital Program		\$250,000	
This action establishes a new allocation totaling \$250,000 for design costs associated with the expansion of Martin Park; currently a 9.3 neighborhood park located in Council District 3. If this funding allocation is approved, design work will resume immediately to complete capping off the former landfill and provide additional recreation opportunities for the community. Once the design of the expansion of the park has been completed, a recommendation will be brought forward for City Council consideration to allocate funding for the construction of the expanded facility. A corresponding recommendation is included in this report to decrease funding from the Reserve: Martin Park Expansion allocation.				
<i>Reserve: Martin Park Expansion</i>	Parks & Comm Fac Dev Capital Program		(\$250,000)	
This action decreases the Reserve: Martin Park Expansion allocation by \$250,000. A corresponding recommendation is included in this report to allocate this funding for design costs related to expanding Martin Park.				
<i>Riverview Park Design Review and Inspection</i>	Parks & Comm Fac Dev Capital Program		\$938,000	
This action establishes a new allocation totaling \$938,000 for design review and inspection costs related to Riverview Park. Once completed, the 5.0 acre neighborhood park will include play areas, a restroom, two tennis courts, one basketball court, two bocce courts, a gazebo, a shade pergola, game tables, an open turf area, walking paths, and plantings. As fulfillment of its parkland dedication ordinance obligation, Riverview Park is being designed and constructed by a developer, with the developer also providing funding to the City for the design review and inspection of the facility. A corresponding action is recommended in this report to recognize the revenue received from the developer for these costs.				
TOTAL SUBDIVISION PARK TRUST FUND (375)			\$938,000	\$938,000
TRANSIENT OCCUPANCY TX FD (461)				
<i>Future Distribution Reserve</i>	Earmarked Reserves		\$1,500,000	
Due to the action described elsewhere in this report to increase Transient Occupancy Tax revenues, this action establishes a reserve in the Transient Occupancy Tax Fund in the amount of \$1.5 million for distribution to the following recipients in 2013-2014: the Convention and Cultural Affairs Fund (\$750,000), San Jose Convention and Visitors Bureau (\$375,000), and the Cultural Grants appropriation (\$375,000).				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
TRANSIENT OCCUPANCY TX FD (461)				
<i>Transient Occupancy Tax</i>	Revenue Adjustments			\$1,500,000
<p>This action increases the Transient Occupancy Tax Earned Revenue estimate in the amount of \$1.5 million, from \$13.7 million to \$15.2 million, due to increased Transient Occupancy Tax revenue receipts, which continue to track well above prior year and current budgeted levels. Based on year-to-date collections, it is currently estimated that revenue growth of 20% will be realized by year-end compared to a budgeted estimate of 5%. A corresponding increase is recommended in the General Fund, which receives 40% of this tax. An action to establish a reserve in the Transient Occupancy Tax Fund for distribution in 2013-2014 is discussed elsewhere in this report. Further detail regarding the performance of the Transient Occupancy Tax Fund can be found in Section II, Status of Selected Special and Capital Funds, of this report.</p>				
TOTAL TRANSIENT OCCUPANCY TX FD (461)			\$1,500,000	\$1,500,000
 UNEMPLOYMENT INSUR FD (157)				
<i>Human Resources Department Non-Personal/Equipment</i>	Human Resources		\$5,000	
<p>This action increases Human Resources Department's Non-Personal/Equipment appropriation by \$5,000 to provide funding for higher than anticipated expenditures. The Non-Personal/Equipment appropriation is estimated to exceed budgeted levels for the year due to the use of a temporary agency to backfill two vacant positions in Employee Benefits. A corresponding decrease to the Human Resources Department's Personal Services appropriation is also recommended in this report.</p>				
<i>Human Resources Department Personal Services</i>	Human Resources		(\$5,000)	
<p>This action decreases Human Resources Department's Personal Services allocation by \$5,000 to offset the higher than anticipated temporary agency expenditures in the Non-Personal/Equipment appropriation. Vacancy savings are available due to two Staff Technician positions being vacant for several months during the year. A corresponding increase the Human Resources Department's Non-Personal/Equipment appropriation is also recommended in this report.</p>				
TOTAL UNEMPLOYMENT INSUR FD (157)			\$0	\$0
 WATER UTILITY CAPITAL FUND (500)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$130,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>System Maintenance/Repairs</i>	Environmental Services		\$130,000	
<p>This action increases the System Maintenance/Repairs appropriation by \$130,000. The current 10-year water system maintenance and repair contract expires on May 2013 and requires renewal prior to the end of the fiscal year. The contract is utilized for emergency and scheduled repairs and is crucial to the operation of the water system to avoid unintermittible water supply to customers.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2012-2013 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
TOTAL WATER UTILITY CAPITAL FUND (500)			\$0	\$0
WATER UTILITY FUND (515)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$125,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Environmental Services Department Non-Personal/Equipment</i>	Environmental Services		\$75,000	
This action increases the Environmental Services Department's Non-Personal/Equipment appropriation to purchase a camera security system with a 24-hour monitoring service for the San José Municipal Water facility located off of Tuers Road and Capital Expressway. In recent months, there have been several break-ins of city vehicles parked at the facility and equipment was stolen.				
<i>Workers' Compensation Claims</i>	Environmental Services		\$50,000	
This action increases the Environmental Services Department's Workers' Compensation Claims appropriation by \$50,000 due to higher than anticipated claims activity in the Environmental Services Department.				
TOTAL WATER UTILITY FUND (515)			\$0	\$0
WORKFORCE INVSTMNT ACT FD (290)				
<i>Cisco Systems Layoff Award Grant/Earned Revenue</i>	Economic Development		(\$1,886,806)	(\$1,886,806)
This action decreases the Cisco Systems Layoff Award Grant appropriation and the corresponding grant funding from the State of California to reflect lower than estimated enrollment of displaced Cisco workers in the program.				
<i>Recovery Act – OJT NEG Grant/Earned Revenue</i>	Economic Development		(\$10,000)	(\$10,000)
This action eliminates the Recovery Act – On-the-Job National Emergency Grant appropriation and decreases the corresponding grant funding from the State of California to reflect the completion of the on-the-job training program.				
<i>Solyndra Project/Earned Revenue</i>	Economic Development		(\$1,138,791)	(\$1,138,791)
This action decreases the Solyndra Project appropriation and the corresponding grant funding from the State of California to reflect lower than estimated enrollment of displaced Solyndra workers in the program.				
TOTAL WORKFORCE INVSTMNT ACT FD (290)			(\$3,035,597)	(\$3,035,597)