

2011-2012 ANNUAL REPORT

GENERAL FUND EXPENDITURE PERFORMANCE

The General Fund expenditure performance for 2011-2012 is discussed in detail in this section. This includes an overview of the General Fund expenditure performance, a discussion of significant departmental variances, and highlights of the non-departmental expenditures.

Overview

The following table details actual 2011-2012 General Fund expenditures as compared with the modified budget estimates:

TABLE B
2011-2012 GENERAL FUND EXPENDITURE SUMMARY
COMPARISON OF BUDGET TO ACTUAL
(In \$000s)

Category	Modified Budget*	Actual**	Variance	% Variance
Personal Services	\$ 579,220	\$ 572,695	\$ (6,525)	(1.1%)
Non-Personal/Equipment/Other	99,359	89,908	(9,451)	(9.5%)
City-Wide Expenses	224,906	195,197	(29,709)	(13.2%)
Capital Contributions	15,248	9,789	(5,459)	(35.8%)
Transfers	30,223	30,222	(1)	(0.0%)
Reserves	119,884	-	(119,884)	(100.0%)
TOTAL GENERAL FUND	\$ 1,068,840	\$ 897,811	\$ (171,029)	(16.0%)

* 2011-2012 appropriations as modified by Council through June 30, 2012, plus 2010-2011 carryover encumbrances

** Actual 2011-2012 expenses plus encumbrances

General Fund expenditures and encumbrances through June 30, 2012 of \$897.8 million were \$171.0 million below (16.0%) the modified budget total of \$1.1 billion. Approximately 70% of this savings was generated from unspent reserves (\$119.9 million), with the remaining savings generated from expenditure appropriations. Total 2011-2012 expenditures and encumbrances were \$3.2 million, or less than 1%, below the June 2010 level of \$901.0 million.

In addition to comparing actual expenditures to the modified budget and prior year actuals, it is important to compare actual expenditures to the estimates used in formulating the 2011-2012 Ending Fund Balance estimate for the 2012-2013 Adopted Budget. This comparison is used to determine if any adjustments to the 2012-2013 Adopted Budget are necessary and to identify any additional fund balance for use in 2012-2013.

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As shown in Table C, the actual General Fund expenditures, transfers, and reserves of \$897.8 million were approximately \$17.6 million below (1.9%) the estimate used in the development of the 2012-2013 Adopted Budget. A portion of these savings (\$8.8 million) was carried over to 2012-2013 with the accompanying revenue for grant or reimbursement-related projects and programs. Clean-up expenditure adjustments of \$2.9 million are recommended in this document to reconcile the Development Fee Programs for 2011-2012 (\$562,000) and to adjust various rebudget amounts and clean up appropriations (\$2.4 million), including a reconciliation of City-wide programs. After accounting for these technical adjustments, the remaining General Fund expenditures, transfers, and reserves savings figure totaled \$5.8 million, or 0.5% of the modified budget. These net expenditure savings, when combined with net variances associated with the General Fund revenues and the liquidation of prior year encumbrances, represent the additional ending fund balance that is available for allocation. Specifically, as discussed earlier, in 2012-2013, a total of \$7.2 million in additional fund balance is available from net expenditure savings (\$5.8 million), the liquidation of prior year encumbrances above the estimated level (\$1.2 million), and higher net funding sources (\$183,000). Recommendations on the allocation of these additional funds are provided elsewhere in this document.

**TABLE C
2011-2012 EXPENDITURE ESTIMATE TO ACTUAL VARIANCES
(In \$000s)**

Category	Estimate	Actual	Variance	% Variance
Expenditures	\$ 885,150	\$ 867,589	\$ (17,561)	(2.0%)
Transfers	30,223	30,222	\$ (1)	(0.0%)
Reserves	-	-	-	100.0%
TOTAL	\$ 915,373	\$ 897,811	\$ (17,562)	(1.9%)

Following is a review of the General Fund expenditure categories, including a discussion of variances to the modified budget as well as the estimate used in the development of the 2012-2013 budget.

Personal Services expenditures of \$572.7 million ended the year \$6.5 million (1.1%) below the budgeted level and \$18.7 million (3.2%) below 2010-2011 expenditure levels. The drop from 2010-2011 reflects the net impact of 10% compensation reductions as well as a reduction in budgeted positions due to service reductions and elimination of positions to close a \$115 million projected 2011-2012 General Fund shortfall, partially offset by increases in retirement and other benefit costs. When compared to the budget, the personal services savings are within levels typically experienced. Over the past decade, expenditure savings compared to budgeted levels have ranged from a high of 2.5% savings in 2006-2007 to a low of 0.8% savings in 2003-2004. The personal services savings were higher than the level assumed when the 2011-2012 year-end

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clean-up adjustments were developed. This small variance is primarily the result of vacancies throughout the organization as well as savings from various grants, namely the Staffing for Adequate Fire and Emergency Response (SAFER) grant in the Fire Department.

The majority of personal services savings were generated by the following departments: Police (\$2.3 million); Fire (\$1.7 million); and Planning, Building and Code Enforcement (\$773,000). The remaining Personal Services savings of \$1.7 million in various other departments were primarily generated from vacant positions. Of the \$6.5 million in personal services savings, \$1.1 million was rebudgeted to 2012-2013 as part of the Adopted Budget (including rebudgeted funds offset by revenue), leaving a balance of \$5.4 million in savings.

General Fund Non-Personal/Equipment/Other¹ expenditures and encumbrances ended the year at \$89.9 million, generating savings from the budgeted level of approximately \$9.5 million (9.5%). The majority of savings in this category was generated by the following departments: Police (\$3.6 million); Mayor and City Council (\$1.7 million); Planning, Building and Code Enforcement (\$1.1 million); Parks, Recreation and Neighborhood Services (\$729,000); and Information Technology (\$505,000). Of the \$9.5 million in savings, \$7.9 million was assumed as savings in the development of the 2012-2013 budget or rebudgeted to 2012-2013 in the Adopted Budget, leaving a balance of \$1.5 million in savings.

After adjusting for 2012-2013 rebudget and clean-ups included in the 2012-2013 Adopted Budget, personal service (\$5.4 million) and non-personal equipment (\$1.5 million) savings result in combined savings of \$6.9 million. Rebudget and cleanup actions of \$1.9 million are recommended in this report (including \$562,000 of Development Fee Program savings) and result in net savings of \$5.1 million in these categories (0.8%).

In the City-Wide Expenses category, expenditures and encumbrances of \$195.2 million ended the year \$29.7 million below the budgeted level of \$224.9 million. Of this amount, \$29.1 million was assumed as savings in 2011-2012 and rebudgeted to 2012-2013 in the Adopted Budget, including \$6.7 million that was offset by revenue sources. Of the remaining balance of \$574,000, rebudget and clean-up adjustments totaling \$100,000 are recommended in this document, and would result in net savings of \$474,000 in this category, a 0.2% variance from the budgeted level.

In the Capital Contributions category, expenditures of \$9.8 million ended the year \$5.5 million below the budgeted level of \$15.2 million. Of this amount, \$4.3 million was assumed as savings in 2011-2012 and rebudgeted to 2012-2013 in the Adopted Budget. An additional \$944,000 is recommended to be rebudgeted in this document. With these rebudgets, the adjusted General

¹ The "Other" category expenditures are primarily comprised of budgets for the Mayor and City Council, Library Department grants program and the Parks, Recreation and Neighborhood Services fee activities program.

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Fund Capital savings totaled \$260,000 (1.7%) at year-end. The Transfers category expenditures of \$30.2 million fell below budgeted amounts by \$1,000 at year end.

The largest single category of remaining funding available in 2012-2013, as planned, is the Reserves category (\$119.9 million). The 2012-2013 Adopted Budget assumed the entire \$119.9 million balance was carried over to 2012-2013. Of this amount, \$65.4 million represented Earmarked Reserves, the largest of which were the 2012-2013 Future Deficit Reserve (\$21.9 million); Development Fee Program reserves (\$24.2 million); Workers' Compensation/General Liability Catastrophic Reserve (\$10.0 million); Salaries and Benefits Reserve (\$5.0 million); Fiscal Reform Plan Implementation Reserve (\$1.6 million); and Retiree Pre-Payment Reserve (\$1.0 million). The remainder of the Reserves category is comprised of the Contingency Reserve (\$29.3 million) and the 2011-2012 Ending Fund Balance Reserve (\$25.2 million).

Review of General Fund Expenditure Performance

This section provides more detailed information on the departmental and non-departmental performance, including a discussion of significant variances.

Departmental costs (\$662.6 million) represented 73.8% of total 2011-2012 General Fund expenditures. As can be seen in Table D on the following page, all departments remained within their total budget allocation and expended a cumulative 97.6% of their budgets, generating overall savings of 2.4%, or \$16.0 million.

Of the eighteen City departments/offices, eleven had expenditure savings of less than 5%. These eleven departments, which included the Police and Fire Departments, generated \$10.7 million (66.7%) of the departmental savings. Three departments had expenditure savings between 5% – 10% and generated \$3.1 million (19.2%) of the savings. The remaining four departments had expenditure savings over 10% and generated \$2.3 million (14.1%) of the savings.

In 2011-2012, the following four departments/offices had expenditure savings in excess of \$1 million: Police; Fire; Planning, Building and Code Enforcement; and Mayor and City Council. Of the \$11.5 million in savings generated from these departments/offices, \$6.8 million was previously rebudgeted or recognized as savings as part of the Adopted Budget, and an additional \$1.3 million is being recommended to be rebudgeted as part of this document.

Those departments with General Fund expenditure variances over 5% are discussed in detail in the following section. The year-end status of expenditures for both the Police and Fire Departments is also summarized.

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Review of General Fund Expenditure Performance

Non-departmental expenditures totaled \$235.2 million, or 26.2% of the total 2011-2012 General Fund expenditures. In this category, 87.0% of the amount budgeted (excluding reserves) was expended. Reserves of \$119.9 million represent the largest portion of the unexpended funds and were carried over or used in 2012-2013 as planned. It is also important to note that almost all of savings in the City-Wide Expenses and Capital Contributions categories also have been or are recommended in this document to be rebudgeted to 2012-2013 for their originally intended uses.

**TABLE D
TOTAL GENERAL FUND EXPENDITURES**

Departmental	2011-2012 Modified Budget	2011-2012 Expenditures	Variance	%
				Variance
City Attorney	\$ 11,118,521	\$ 11,020,477	\$ (98,044)	(0.9%)
City Auditor	1,989,353	1,786,314	(203,039)	(10.2%)
City Clerk	1,884,012	1,668,979	(215,033)	(11.4%)
City Manager	10,391,165	10,234,046	(157,119)	(1.5%)
Economic Development	5,184,157	4,775,272	(408,885)	(7.9%)
Environmental Services	602,012	418,175	(183,837)	(30.5%)
Finance	11,605,773	11,330,020	(275,753)	(2.4%)
Fire	156,472,444	154,367,858	(2,104,586)	(1.3%)
Human Resources	5,714,258	5,441,707	(272,551)	(4.8%)
Independent Police Auditor	958,741	935,279	(23,462)	(2.4%)
Information Technology	14,787,305	14,018,799	(768,506)	(5.2%)
Library	22,271,161	22,173,416	(97,745)	(0.4%)
Mayor and City Council	10,146,518	8,495,914	(1,650,604)	(16.3%)
Parks, Recreation & Neighborhood Services	48,334,720	47,407,890	(926,830)	(1.9%)
Planning, Building & Code Enforcement	27,871,026	25,985,839	(1,885,187)	(6.8%)
Police	296,259,011	290,379,542	(5,879,469)	(2.0%)
Public Works	27,663,137	27,049,940	(613,197)	(2.2%)
Transportation	25,325,620	25,113,575	(212,045)	(0.8%)
Subtotal	678,578,934	662,603,042	(15,975,892)	(2.4%)
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Non-Departmental				
City-Wide Expenses	224,906,188	195,197,125	(29,709,063)	(13.2%)
Capital Contributions	15,247,717	9,788,715	(5,459,002)	(35.8%)
Transfers	30,223,250	30,222,019	(1,231)	(0.0%)
Earmarked Reserves	65,374,697	-	(65,374,697)	(100.0%)
Contingency Reserve	29,309,000	-	(29,309,000)	(100.0%)
Ending Fund Balance Reserve	25,200,000	-	(25,200,000)	(100.0%)
Subtotal	390,260,852	235,207,859	(155,052,993)	(39.7%)
TOTALS	\$ 1,068,839,786	\$ 897,810,901	\$ (171,028,885)	(16.0%)

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Discussion of Significant Departmental Variances and Other Issues

Following is a discussion of those departments with significant variances and a summary of the performance in the City's two largest General Fund departments, Police and Fire.

- *City Auditor*

With 2011-2012 expenditures of \$1.8 million, the Office of the City Auditor expended 89.8% of its \$2.0 million General Fund budget, with resulting savings of \$203,000. The majority of this variance is related to personal services expenditures, which were 9.0% below (\$172,000) the modified budget as a result of two vacancies, and salary savings due to employee leave and reduced work week scheduling. Non-personal/equipment expenditures ended the year 40.5% below (\$31,000) budgeted levels due to prudent monitoring of expenditures resulting in lower than estimated expenditures in various areas such as computer and data processing, professional and consultant services, and supplies.

- *City Clerk*

With 2011-2012 expenditures of \$1.7 million, the Office of the City Clerk expended 88.6% of its \$1.9 million General Fund budget, with resulting savings of \$215,000. The majority of this variance is related to personal services expenditures, which were 7.8% below (\$122,000) the modified budget as a result of vacant positions in the department at various points throughout the year. Non-personal/equipment expenditures ended the year 28.8% below (\$93,000) budgeted levels of \$322,000. The majority of these savings was realized in professional and consultant services.

- *Office of Economic Development*

The Office of Economic Development expended \$4.8 million (92.1%) of its 2011-2012 General Fund budget of \$5.2 million, resulting in savings of \$409,000. The majority of this variance is related to lower personal services expenditures, which were 9.1% below (\$225,000) the modified budget as a result of approximately 9.5% of budgeted positions being vacant for approximately half of 2011-2012. Non-personal/equipment expenditures ended the year 6.8% below (\$184,000) budgeted levels. The majority of these savings was realized in contractual services, as the Department delayed some projects to ensure savings were available in the event that Real Estate Services revenues fell short of the budgeted revenue estimate.

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- *Environmental Services*

With expenditures of \$418,000, the Environmental Services Department expended 69.5% of its modified budget of \$602,000, with resulting savings of \$184,000. Personal services expenditures were 21.0% below (\$61,000) budgeted levels. Of this balance, \$50,000 was rebudgeted as part of the 2012-2013 Adopted Budget for Silicon Valley Energy Watch Program staffing. The Silicon Valley Energy Watch Program focuses on promoting energy efficiency through activities that include outreach and education, training, and local government policy coordination. An additional rebudget of \$2,000 for Silicon Valley Energy Watch activities is recommended as part of this document. After these adjustments, the net personal services savings totals approximately \$9,000 (1.5%). Non-personal/equipment expenditures ended the year 39.5% (\$123,000) below the 2011-2012 Modified Budget of \$310,000. Of this balance, \$53,000 was rebudgeted in the 2012-2013 Adopted Budget to pay for Silicon Valley Energy Watch activities. An additional rebudget of approximately \$9,000 for Silicon Valley Energy Watch activities is recommended as part of this document. After these adjustments, the net non-personal/equipment savings totaled approximately \$61,000 (19.7%).

- *Fire*

Overall, the Fire Department expended or encumbered 98.7% of its total 2011-2012 Modified Budget of \$156.5 million, resulting in savings of \$2.1 million. Of these savings, \$724,000 was either rebudgeted to 2012-2013 (\$409,000) or is recommended to be reallocated to the Fire Fee Reserve (\$315,000), leaving \$1.4 million in net savings, primarily reflecting savings from the Staffing for Adequate Fire and Emergency Response (SAFER) grant.

The Personal Services appropriation of \$149.0 million was 98.8% expended, with savings of \$1.7 million, primarily due to the delay of the third SAFER Academy and resulting vacancies (\$939,000). The remaining savings of approximately \$797,000 are due to vacancies in dispatcher positions, civilian support positions, the Development Fee Program, and lower than budgeted overtime costs (\$311,000). In reconciling the Development Fee Program budget with year-end personal services expenditures, savings in the program of approximately \$315,000, including \$295,000 in personal services savings and \$20,000 in overhead savings, are recommended to be transferred to the Fire Fee Reserve. Combined with higher than estimated revenue collections of \$255,000, the total recommended increase to the Fire Fee Reserve based on the 2011-2012 reconciliation is \$570,000. Reallocating this amount to the Fire Fee Reserve will increase the Reserve from \$3.7 million to \$4.2 million.

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Fire's overtime expenditures of \$4.7 million ended the year slightly below the modified budget level of \$5.0 million. A combination of full-time staff and overtime is used to address the Fire Department's minimum staffing requirements. The Fire Department managed and monitored daily absences and staffing to minimize the impact of brownouts to the community, while minimizing overtime expenditures. The Department is expected to bring its 2011-2012 annual overtime report to the Public Safety, Finance, and Strategic Support Council Committee by February 2013. The overtime report will include an analysis of the balance between relief personnel and the overtime allocation for minimum staffing.

The Fire Department ended 2011-2012 with a total of 167 filled paramedics (154 front-line, 5 Supervisors, and 8 support) compared to the 134 front-line Firefighter Paramedics that are necessary to fully staff all apparatus. The Department does not anticipate any issues in maintaining the target staffing level of 134 front-line Firefighter Paramedics in 2012-2013. As part of the City Council's approval of Department Absence and Vacancy Rates (March 2010), it should be noted that the number of sworn administrative staff in the Department at the end of 2011-2012 was 30, which is within the authorized number of 32.

The Department's non-personal/equipment budget was 95.0% expended or encumbered, with year-end savings of \$369,000. Funding of \$401,000 was estimated to be available for targeted projects and was approved for rebudget in the 2012-2013 Adopted Budget for the performance data improvement project, air monitors for truck companies, technical/workforce development training, and paramedic training for 3rd SAFER academy Firefighters. However, a portion of the \$300,000 technical/workforce development rebudget approved as part of the 2012-2013 Adopted Budget is recommended to be reallocated from non-personal/equipment to personal services. Reallocation of \$190,000 is needed to address the overtime component of the technical/workforce development training and there were sufficient personal services savings at the end of 2011-2012 to support this rebudget.

- *Information Technology*

With expenditures of \$14.0 million, the Information Technology Department (ITD) expended 94.8% of its \$14.8 million General Fund modified budget with year-end savings of \$769,000. Personal Services expenditures were 2.9% (or \$264,000) below modified budget levels resulting primarily from vacancy savings due to employee retirements and separations.

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Non-personal/equipment expenditures were 8.9% or \$505,000 below budgeted levels, resulting primarily from project savings or project delays. Of the remaining balance, \$350,000 was rebudgeted in the 2012-2013 Adopted Budget for the Data Storage project and \$50,000 was rebudgeted for the Converged Network (VoIP) Expansion project. This document recommends an additional rebudget of \$82,000 to upgrade the City's downtown WiFi to the nation's fastest WiFi network. After these adjustments, the net non-personal/equipment savings total \$23,000, or 0.4% of the 2011-2012 Modified Budget.

- *Mayor and City Council*

With total expenditures of \$8.5 million, the Mayor's Office, the City Council Offices, and Council General expended 83.7% of their total modified budget of \$10.1 million, with savings of \$1.7 million at year-end. Of this amount, \$494,000 of the savings was in the Mayor's Office, \$684,000 was in the City Council Offices, and \$473,000 million was in Council General as outlined below:

2011-2012 Actual Expenditure Performance

	2011-2012 Modified Budget	2011-2012 Actuals	Variance
Council District 1	\$ 249,307	\$ 233,052	\$ 16,255
Council District 2	337,234	280,788	56,446
Council District 3	298,307	264,011	34,296
Council District 4	325,702	297,263	28,439
Council District 5	345,197	241,928	103,269
Council District 6	326,681	256,066	70,615
Council District 7	358,314	261,868	96,446
Council District 8	321,139	252,887	68,252
Council District 9	339,945	225,240	114,705
Council District 10	348,594	253,652	94,942
Mayor's Office	1,785,199	1,291,505	493,694
Council General	5,110,900	4,637,654	473,246
Total	\$ 10,146,519	\$ 8,495,914	\$ 1,650,605

In the 2012-2013 Adopted Budget, anticipated 2011-2012 savings of \$1.6 million (\$902,000 in the City Council Offices, \$481,000 in the Mayor's Office, and \$262,000 in Council General) was rebudgeted and an additional \$875,000 was committed for other uses. Actual

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year-end savings, however, fell below these estimates. As a result, a net reduction to the rebudget amount of \$213,000 is recommended in this document in order to align the City Council Offices' year-end balances taking into account total prior rebudgeted funds as approved by the City Council as part of the Mayor's June Budget Message for Fiscal Year 2012-2013. Below is a chart outlining the revised 2012-2013 budgets by office as recommended in this document:

2012-2013 Adopted Budget Modifications

	2012-2013 Adopted Budget	2011-2012 Constituent Outreach (Reconciliation)	2011-2012 Rebudget (Reconciliation)	2012-2013 Modified Budget
Council District 1	\$ 251,228	\$ 4,336	\$ 0	\$ 255,564
Council District 2	329,976	0	(26,302)	303,674
Council District 3	308,149	(5,041)	(21,584)	281,524
Council District 4	317,826	0	(42,159)	275,667
Council District 5	372,657	(5,658)	(16,502)	350,497
Council District 6	340,258	0	(22,415)	317,843
Council District 7	380,131	(13,783)	(22,674)	343,674
Council District 8	337,512	835	(22,867)	315,480
Council District 9	373,527	(381)	(11,213)	361,933
Council District 10	362,559	(5,258)	(15,131)	342,170
Mayor's Office	1,834,619	22,790	(10,182)	1,847,227
Council General	5,813,917	0	0	5,813,917
Total	\$11,022,359	\$ (2,160)	\$ (211,029)	\$10,809,170

- *Planning, Building and Code Enforcement*

The Planning, Building and Code Enforcement Department (PBCE) expended \$26.0 million (93.2%) of its \$27.9 million General Fund budget, with resulting savings of \$1.9 million. Personal services expenditures were 3.1% (\$773,000) below budgeted levels and non-personal/equipment expenditures were 39.8% (\$1.1 million) below budgeted levels.

The majority of the personal services savings occurred in Community Code Enforcement and Planning Services (Non-Development Fee Programs), which ended the year with \$460,000 of savings, and the Building and Planning Fee Programs (Development Fee Programs), which ended the year with \$313,000 of savings. The savings were due to a large number of vacant positions. As part of the 2012-2013 Adopted Budget, personal services savings of \$193,500

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were anticipated and, therefore, rebudgeted for staff support for the development of the Alameda Urban Village Master Plan and Zoning revisions, implementation of the Alum Rock Main Street District Rezoning, and work on the revised scope of work with the Bay Area Air Quality Management District.

The \$1.1 million of non-personal/equipment expenditure savings is comprised of Development Fee Program savings of \$742,000 and other departmental savings of \$370,000. As part of the 2012-2013 Adopted Budget, Development Fee Program non-personal/equipment expenditure savings of \$828,000 were anticipated and rebudgeted for consulting services to recommend and implement a solution for development services document storage needs, contractual services for peak staffing agreements, consulting services to research and plan the implementation of wireless technology to process building inspection results from the field, offsite training classes for newly hired inspectors and engineers, and consulting services and associated software for a user-friendly noticing system. However, as noted above, only \$742,000 was available at the conclusion of the fiscal year and a downward adjustment to the Planning Development Fee Program is included as part of the 2011-2012 fee program reconciliation. Other non-personal/equipment savings achieved (\$370,000) were non-fee related and rebudgeted as part of the 2012-2013 Adopted Budget to accelerate the implementation of the Envision San José 2040 General Plan, to begin the migration of the Code Enforcement permit system into the Development Services program permitting system, and to support the implementation of the Alum Rock Main Street District Rezoning.

Overall, the Development Fee Programs had total savings of \$1.1 million and the Non-Development Fee Programs had total savings of \$831,000. After adjusting for anticipated savings which was rebudgeted to 2012-2013 as part of the 2012-2013 Adopted Budget, savings of \$487,000 remained (\$227,000 development; \$260,000 non-development). When expenditure savings are combined with higher than estimated revenues and increase in the Building Development Fee program and Planning Development Fee Program of \$1.5 million and \$95,000 respectively, are recommended in this document. These recommended adjustments bring the Building Development Fee Program Reserve to \$15.0 million and the Planning Development Fee Program Reserve to \$519,000 in 2012-2013.

- *Police*

Overall, the Police Department expenditures totaled \$290.4 million, or 98.0% of the modified budget of \$296.3 million, with savings of \$5.9 million at year-end. Approximately \$2.3 million of the savings was in the Personal Services category with \$2.9 million in total salary and benefit savings, partially offset by a higher overtime expenditures of \$600,000.

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Overtime expenditures of \$11.2 million were 6.0% above the modified budget line item of \$10.6 million. The increased overtime was primarily used to backfill for vacant patrol positions and expand targeted enforcement of high crime activity, specifically related to gang enforcement, through suppression cars. Of the \$2.3 million in Personal Services savings, \$750,000 was rebudgeted in the 2012-2013 Adopted Operating Budget to provide for the training of sworn staff on the new Automated Field Reporting/Records Management System that was implemented in early 2012-2013. Several actions are recommended in this document to increase the Department's overtime funding in 2012-2013 by \$3.9 million (from \$13.3 million to \$17.2 million) to continue to backfill for vacant patrol positions, expand targeted enforcement of high crime activity related to gangs through suppression cars, and provide funding to continue backgrounding efforts on an overtime basis until a contract is in place. Anticipated savings related to sworn vacancies in 2012-2013 of \$2.4 million are recommended to be reallocated from the salary and benefits line items to the overtime line item to ensure the Department has sufficient overtime resources in 2012-2013, based on recent increases in crime activity and discussions that occurred as part of the City Council Study Session on Public Safety on September 18, 2012. In addition, \$1.25 million is recommended to be rebudgeted for overtime expenditures from 2011-2012 savings, as well as \$250,000 is recommended to be reallocated from non-personal/equipment funding for contracted backgrounding services to the personal services overtime line item due to a delay in contract implementation.

It should be noted that, as of June 2012, the Department had 1,099 authorized sworn staff of which 27 were vacant (2.5%); however, as of July 2012, 16 sworn positions that were unfunded on a one-time basis in 2011-2012 were restored, leaving the Department with 47 vacancies out of an authorized staff of 1,107 (4.3%). The 47 vacancies were offset by three temporary sworn positions, a Police Lieutenant a Police Sergeant, and a Police Officer, funded through various grants awarded to the Department, leaving a net of 44 sworn vacancies in the Department (4.0%). In order to fill the vacant sworn positions and put more Police Officers back on patrol, the Department is budgeted to conduct two Police Officer Recruit Academies beginning in September 2012 and March 2013. At this time, the Department is anticipating 46 recruits in the September 2012 academy and 50 to 60 recruits in the March 2013 academy. With current attrition projections, by the time the recruits from the March 2013 academy become street ready in October 2013, the Department would be close to achieving full sworn staffing. Further analysis will be done as part of the 2013-2014 Operating Budget process to determine recruit academy resource needs beyond 2012-2013 based on attrition and funding availability.

The compensatory time balance at the end of 2011-2012, for sworn personnel, was 164,538 hours. This balance represents a 13.8% decrease compared to the 2010-2011 total sworn

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Discussion of Significant Departmental Variances and Other Issues

compensatory time balance of 190,846 hours. Two factors attributed to the overall reduction in compensatory time balance: 1) the retirement or separation of sworn employees that have been with the City for a long time and have accrued large compensatory time balances, which are paid out at the time of separation and 2) adherence to overtime controls implemented by the Police Department in 2009-2010 that limits the use of overtime and compensatory time for critical needs. In accordance with the Memorandum of Agreement (MOA) with the Police Officers Association, sworn personnel are able to maintain 240 hours of compensatory time. Sworn personnel with compensatory time balances that exceed 240 hours at the end of the last pay-period of the calendar year are required to reduce those balances to within the 240-hour limit within 150 days. However, while the overall compensatory time balance was reduced by 13.8%, the compensatory time balance in excess of the 240-hour threshold increased to 23,969 hours spread among 244 sworn staff, up from 15,516 hours spread among 138 sworn staff in June 2011. Sworn staff continue to work overtime hours due to workload demands partially as a result of the higher than normal vacancy rate cited above, making it difficult for staff to further reduce the compensatory time balances below the 240 hour threshold. Active management of the overtime budget and earned compensatory time is necessary to ensure overall personal services expenditures remain within budgeted levels.

The Department's non-personal/equipment budget was 84.6% expended and encumbered, with savings of \$3.6 million. Police data processing services savings of \$2.5 million and contractual services savings of \$1.1 million contributed to a significant portion of the overall non-personal/equipment savings. The savings in data processing services is primarily the result of upgrades to the Automated Fingerprint Identification System (AFIS) Phase I (\$808,000) and Phase II (\$896,000), upgrades to the Computer Aided Dispatch (CAD) System (\$305,000), and Mobile Identification System enhancements (\$75,000) which were scheduled in 2011-2012, but not completed. This funding was already rebudgeted in the 2012-2013 Adopted Operating Budget. The savings in contractual services is primarily the result of funding for background services (\$700,000) and sworn recruitment (\$250,000). This funding was already rebudgeted in the 2012-2013 Adopted Operating Budget to provide for expenses related to the two academies scheduled in 2012-2013. As mentioned previously, \$250,000 of this funding is recommended to be reallocated to the personal services overtime line item due to a delay in contract implementation. In addition, a portion of the non-personal/equipment savings (\$200,000 for Police Administration Building security upgrades and \$60,000 for the Child Interview Center) was also rebudgeted in the 2012-2013 Adopted Operating Budget. An additional \$280,000 in savings is recommended for rebudget in this document: \$180,000 for additional project scope for Police Administration Building security upgrades, and \$100,000 for CAD System software maintenance.

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Highlights of Non-Departmental Expenditures and Variances

The non-departmental categories consist of City-Wide Expenses, Capital Contributions, Transfers, Earmarked Reserves, and the Contingency Reserve. An overview of the expenditure performance in these categories is provided below:

TABLE E
2011-2012
NON-DEPARTMENTAL GENERAL FUND EXPENDITURES
(In \$000s)

Category	Modified Budget	Actual	Variance	% Variance
City-Wide Expenses	\$ 224,906	\$ 195,197	\$ (29,709)	-13.2%
Capital Contributions	15,248	9,789	(5,459)	-35.8%
Transfers	30,223	30,222	(1)	0.0%
Earmarked Reserves	65,375	-	(65,375)	-100.0%
Contingency Reserve	29,309	-	(29,309)	-100.0%
Ending Fund Balance Reserve	25,200	-	(25,200)	-100.0%
TOTAL	\$ 390,261	\$ 235,208	\$ (155,053)	-39.7%

- *City-Wide Expenses*

Included in City-Wide Expenses category is funding related to more than one department or that is not directly associated with ongoing departmental operations. Expenditures in this category total \$195.2 million, or 86.8% of the modified budget, resulting in a significant savings level of \$29.7 million. Of this amount, \$29.1 million was rebudgeted to 2012-2013 in the Adopted Budget, leaving a net balance of \$574,000.

The major 2011-2012 expenditures in this category included:

- TRAns Debt Service payment of \$100.4 million was completed to repay a short-term note that was issued for cash flow purposes necessitated by the pre-funding of employer retirement contributions.
- Workers' Compensation Claims payments of \$16.3 million which were \$639,000 below the 2011-2012 Modified Budget (\$17.0 million). Total expenditures were \$660,000 or 3.9% lower than 2010-2011 actuals (\$17.0 million).
- Convention Center Lease Payments of \$15.4 million ended the year at 2011-2012 budgeted levels. In 2011-2012, this annual payment was fully reimbursed by the Successor Agency (former San Jose Redevelopment Agency). The Convention Center debt service payments were originally anticipated to be partially funded by the

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- City (\$10.0 million) with the remainder (\$5.4 million) funded by the Successor Agency. However, as a result of higher than estimated tax increment revenue in 2011-2012, the Successor Agency was able to assume the entire debt service payment in 2011-2012. In 2012-2013, it is anticipated that the Successor Agency will not receive sufficient tax increment revenue to ensure payment of all debts. Therefore, as recommended in the 2012-2013 Adopted Budget, the City anticipates providing funding to subsidize City contractually obligated Successor Agency obligations, the largest of which is the Convention Center Lease Payment.
- General Liability Claims of \$6.0 million were \$7.5 million below the 2011-2012 Modified Budget (\$13.5 million) and \$417,000 or 7.4% higher than 2010-2011 actuals (\$5.6 million). Savings from this appropriation were rebudgeted to provide funding for large pending claims, including a \$6 million verdict that was recently rendered against the City for a case currently in post trial motions. An additional \$3.0 million increase in the Workers Compensation/General Liability Catastrophic Earmarked Reserve is also recommended to ensure sufficient funding is available for this claim as well as other pending claims.
 - Sick Leave Payments Upon Retirement expenditures of \$5.8 million ended the year \$2.7 million below the budgeted level (\$8.5 million) and \$8.3 million below 2010-2011 actual payments of \$14.1 million.

Included in this report are additional rebudgets, downward adjustments to those appropriations that did not generate the amount of savings required to support rebudgets already approved, and revenue-related increases. Details of these appropriation adjustments are reflected in Section IV of this document. After accounting for actions already approved in the 2012-2013 Adopted Budget and rebudgets recommended in this document, there are \$690,000 in net savings in the City-Wide Expenses.

A discussion of the performance in each City Service Area program category is provided below.

Community and Economic Development – Included in this program is funding for various facility operating subsidies, lease payments, and economic development activities. The more significant expenditures in 2011-2012 included: Convention Center Lease Payments (\$15.4 million); Tech Museum of Innovation (\$1.1 million); Economic Development/Incentive Fund (\$1.0 million); and History San José (\$784,000).

In 2011-2012, expenditures in this category totaled \$23.4 million and were \$1.4 million below the modified budget. Approved in the 2012-2013 Adopted Budget were \$1.5 million in rebudgets from 2011-2012 planned project savings of which the largest included: Historic

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Highlights of Non-Departmental Expenditures and Variances

Preservation (\$598,000); 4th Street Garage Banquet Facility Maintenance and Operations (\$300,000); Public Art in Private Development (\$157,000); Donna Bradford Improvement Project (\$125,000); and Economic Development Pre-Development Activities (\$110,000).

Additional budget adjustments resulting in a net reduction of \$67,000 are recommended in this document based on actual 2011-2012 performance. The net reduction is reflective of downward adjustments to those appropriations that did not generate the amount of savings required to support rebudgets already approved as part of the 2012-2013 Adopted Budget. After accounting for all adjustments, this program category ended the year below budgeted levels with net savings totaling \$25,000.

Environmental and Utility Services – Funding for various environmental initiatives through policy development, program design, and reliable utility services are included in this program. Significant projects in 2011-2012 included: The Recovery Act Energy Efficiency and Conservation Block Grant (\$3.3 million); Recovery Act – Solar Market Transformation (\$545,000); and Recovery Act – Retrofit California Program (\$413,000).

Expenditures in this program in 2011-2012 totaled \$5.5 million and were \$5.3 million below the modified budget. The 2012-2013 Adopted Budget incorporated rebudgets totaling \$4.9 million, including but not limited to: Recovery Act – Energy Efficiency and Conservation Block Grant (\$2.8 million), City-Building Energy Projects Program (\$1.3 million), Silicon Valley Energy Watch (SVEW) Innovator Pilots (\$404,000), and Recovery Act – Retrofit California Program (\$150,000).

Additional net adjustments are recommended as part of this report totaling \$200,000 and include, but are not limited to, additional unspent funds for Clean Creeks Healthy Communities (\$289,000) and the Recovery Act - Energy Efficiency and Conservation Block Grant (\$175,000). Also included are two downward adjustments to account for lower than projected year-end savings required to support rebudgets already approved as part of the 2012-2013 Adopted Budget: Silicon Valley Energy Watch (SVEW) Innovator Pilots (\$299,000) and Recovery Act – Retrofit California Program (\$35,000).

After accounting for all rebudgets, this program category ended the year below budgeted levels with net savings totaling \$196,000. In addition, an augmentation of \$266,000 to the Energy Efficiency Program is recommended in Section IV of this report.

Neighborhood Services – Included in the Neighborhood Services program is funding for community activities, providing healthy neighborhoods, and providing access for learning opportunities. Major expenditures in 2011-2012 included but are not limited to: San José

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Highlights of Non-Departmental Expenditures and Variances

BEST Program (\$3.2 million); Children's Health Initiative (\$2.1 million); Workers' Compensation Claims – PRNS (\$957,000); and After School Education and Safety Programs (\$539,000).

In 2011-2012, expenditures in this program totaled \$8.2 million and were \$583,000 below the modified budget. The 2012-2013 Adopted Budget included rebudgets totaling \$325,000, the largest of which were for Workers' Compensation Claims – PRNS (\$100,000), the Communities Putting Prevention to Work Grant – Obesity Prevention Initiative (\$61,000), the Grace Community Center Electronic Health Records Grant (\$59,000), and the San José BEST Program (\$56,000).

Additional net adjustments are recommended as part of this report totaling \$50,000. Rebudgets detailed in Section IV of this document are recommended for Workers' Compensation Claims – PRNS (\$65,000) and the Enhance Fitness and Matter of Balance Program Grant (\$12,000). Downward adjustments totaling \$27,000 are also recommended where actual year-end savings were lower than projected levels. After accounting for all recommended adjustments, the Neighborhood Services CSA ended the year below budgeted levels with net savings totaling \$208,000.

Recommended augmentations for grants totaling \$1.1 million are included in Section IV of this report: After School Education and Safety Programs (\$608,000), the San José BEST Program for gang intervention and prevention services (\$295,000), Safe Summer Initiative program (\$147,000), the Summer Youth Nutrition Program (\$40,000), the 1st ACT Silicon Valley Digital Media Grant (\$8,000), and the PG&E Summer Cooling Shelter Program Grant (\$7,000).

Public Safety – Included in this program are a number of grants and programs which continue to assist in providing prevention and emergency response services, although program expenditures are primarily comprised of workers' compensation claims for the Fire and Police Departments (\$13.6 million total, 49.7% of the 2011-2012 Modified Budget). Major 2011-2012 expenditures included: Workers' Compensation Claims – Police (\$7.4 million); Workers' Compensation Claims – Fire (\$5.9 million); Fire Self Contained Breathing Apparatus (\$2.2 million); Urban Area Security Initiative Grant - Fire 2009 (\$1.3 million); Urban Area Security Initiative – Police 2010 (\$984,000); and Urban Area Security Initiative – Police 2009 (\$634,000). Expenditures for Workers' Compensation Claims – Fire exceeded budgeted levels by \$184,000 due to four unanticipated awards for past claims totaling more than \$300,000 that were approved and expended in June 2012. A recommendation to ratify this appropriation increase and amend the final 2011-2012

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Highlights of Non-Departmental Expenditures and Variances

Appropriation Ordinance will be included in a separate memo to Council for the October 16, 2012 City Council meeting.

Total expenditures of \$23.2 million were \$4.1 million below the modified budget. Rebudgets totaling \$4.2 million were approved in the 2012-2013 Adopted Budget, including: Cardiac Monitors/Defibrillators (\$1.6 million), Automated Fingerprint Identification System (\$490,000), Workers' Compensation Claims – Police (\$400,000), Recovery Act – 2009 Internet Crimes Against Children Task Force (\$238,000), and Metropolitan Medical Response System Grant 2010 (\$208,000).

Included in Section IV of this document are recommended net downward budget adjustments totaling \$86,000 based on actual 2011-2012 performance. A number of appropriations did not generate as much savings as anticipated and downward adjustments recommended include but are not limited to: the Internet Crimes Against Children Continuation Grant 2011 (\$77,000), the Human Trafficking Prevention Grant 2011 (\$30,000), Recovery Act – Anti-Human Trafficking Task Force 2009 (\$27,000), Urban Area Security Initiative – Police 2010 (\$26,000), DUI Enforcement and Awareness Program Grant 2011-2012 (\$25,000), and Recovery Act – Anti-Drug Abuse Enforcement Team (\$24,000). These downward adjustments are partially offset by additional rebudgets recommended for the Cardiac Monitors/Defibrillators (\$127,000) and Fire Self Contained Breathing Apparatus (\$16,000) projects.

After accounting for all adjustments recommended and approved, this program category ended the year with net savings totaling \$14,000.

Recommended augmentations for new grants and new grant cycles of \$327,000 are outlined in Section IV of this document: the Selective Traffic Enforcement Program 2012-2013 (\$180,000), the Sobriety Checkpoint Grant Program 2012-2013 (\$121,000), and the State Homeland Security Grant Program (\$26,000).

Transportation and Aviation Services – Included in this program is funding for surface infrastructure improvements and repairs ensuring transportation systems that support livability and processing fees for parking citations and courthouse fees. Major 2011-2012 expenditures in this category included: Parking Citations/Jail Courthouse Fees (\$2.5 million); Parking Citations Processing (\$938,000); Sidewalk Repairs Program (\$774,000), and Workers' Compensation Claims – Transportation (\$544,000).

In 2011-2012, expenditures in this category totaled \$5.2 million and were \$869,000 below the modified budget. The 2012-2013 Adopted Budget included rebudgets for Sidewalk

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Repairs Program (\$350,000) and Contractual Street Tree Planting (\$104,000). After accounting for these recommended rebudgets, this category ended the year with adjusted net savings of \$415,000. No additional adjustments are recommended in this report.

Strategic Support – This program includes numerous allocations to ensure the management and safeguard of the City’s fiscal, physical, technological, and personnel resources are in place to effectively deliver City services and projects. Included in this category are funds for the 2011 TRANs debt payment, insurance premiums, general liability claims, sick leave payouts, debt service payments, workers’ compensation claims, and financial payments. In 2011-2012 major expenditures included: the TRANs Debt Service payment (\$100.4 million) as discussed previously in this document; General Liability Claims (\$6.0 million); Sick Leave Payments Upon Retirement (\$5.8 million); Property Tax Administration Fee (\$3.2 million); FMC Debt Service Payments (\$2.0 million); Public, Educational, and Government (PEG) Access Facilities – Capital (\$1.4 million); Elections and Ballot Measures (\$1.4 million); Banking Services (\$1.1 million); Revenue Enhancement Consulting Services (\$1.1 million), and Workers’ Compensation Claims – Other Departments (\$1.0 million).

In 2011-2012 expenditures in this category totaled \$129.7 million and were \$17.4 million below the modified budget. Included in the 2012-2013 Adopted Budget was \$17.8 million in rebudgeted funds from 2011-2012 to 2012-2013. Included in this amount were significant rebudgets such as: General Liability Claims (\$8.0 million), Sick Leave Payments Upon Retirement (\$2.8 million), Human Resources/Payroll System Upgrade (\$1.6 million), Watson Park Settlement (\$1.3 million), and Elections and Ballot Measures (\$1.0 million).

In Section IV of this report, net additional downward budget adjustments totaling \$214,000 are recommended. Rebudgets of additional unspent funds include, but are not limited to: Arena Community Fund (\$64,000), Public, Educational, and Government (PEG) Access Facilities - Capital (\$43,000), Public Works Unfunded Projects (\$43,000), and Banking Services (\$38,000). As appropriate, where actual year-end savings were less than projected, downward adjustments are recommended in this report; major adjustments include: Elections and Ballot Measures (\$163,000), Deferred City Facilities Security and Maintenance (\$92,000), Bay Area Electric Vehicle Corridor Project (\$81,000), and ChargePoint America Electric Vehicle Infrastructure Project (\$64,000).

After accounting for all approved and recommended budget adjustments, there were no net savings in this program category.

Recommended augmentations totaling \$16.0 million are outlined in Section IV of this document, including two new appropriations: the Successor Agency City Legal Obligations

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Subsidy (\$11.0 million) and HUD Section 108 Loan Repayment (\$4.97 million). The establishment of a Successor Agency City Legal Obligations Subsidy line-item (\$11.0 million) reflects a reclassification of this expenditure, which was included in the 2012-2013 Adopted Budget as a Transfer. This technical action more appropriately aligns this expenditure to the City-Wide Expenses category as the Transfers category is used for transfers between City funds, and the Successor Agency is a separate entity from the City. The addition of a HUD Section 108 Loan Repayment appropriation (\$4.97 million) will be used to pay off of a portion of the HUD 108 loan associated with the sale of 14.5 acres of the Airport West Property to the Earthquakes, LLC. An associated increase in the estimate for Other Revenue is recommended to reflect the payment received from the Earthquakes, LLC and will offset this action. Downward adjustments totaling \$81,000 are also recommended. Detailed description about these actions can be found in Section IV of this document.

- *Capital Projects*

In 2011-2012, the General Fund provided funding totaling \$15.2 million for capital projects. Of this amount, approximately \$5.5 million was unexpended at year-end. The projects with the largest unexpended balances included:

<u>Capital Projects</u>	<u>(\$000s)</u>
Fire Apparatus Replacement	\$ 1,815
Police Communications Uninterrupted Power Supply	1,300
South San José Police Substation FF&E	889
Fire Station 37 (Willow Glen)	620
Arena Repairs	429
All Other Projects	406
Total Unexpended Capital Projects	5,459

Rebudgets of \$4.3 million were included as part of the 2012-2013 Adopted Budget, and an additional \$944,000 is recommended for rebudget as part of this report. After adjusting for these changes, the net savings in the General Fund Capital category was \$260,000. All Arena Repairs savings will be carried over to 2012-2013. As a General Fund budget balancing strategy, the annual \$100,000 General Fund allocation for Arena Repairs (maintenance and repair needs at HP Pavilion in San José) was suspended for two years (2011-2012 and 2012-2013) and any remaining funds at year end in 2010-2011 and 2011-2012 were to be rebudgeted. As part of the 2012-2013 Adopted Budget, \$413,000 was assumed as savings and rebudgeted to 2012-2013. This document includes a reduction of

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Highlights of Non-Departmental Expenditures and Variances

\$2,000 to align the rebudgeted amount with actual year end savings. It is anticipated that total funding of \$429,000 will be sufficient to cover repairs during 2012-2013.

- *Transfers*

In the Transfers category, expenditures of \$30.2 million fell below budgeted amount by \$1,000 at year end.

A net reduction in Transfers of \$10.4 million reflects the reclassification of a Transfer to the Successor Agency (\$11 million) reclassification to a City-Wide Expenditures as discussed above, which is partially offset by the establishment of a Transfer to the Neighborhood Security Bond Fund (\$374,000). A description of these actions can be found in Section IV of this document.

- *Reserves*

General Fund Reserve categories include Earmarked Reserves, the Contingency Reserve, and the Ending Fund Balance Reserve. On June 30, 2012, the total Reserve balance was \$119.9 million.

Of this amount, \$65.4 million represented Earmarked Reserves, the largest of which were the 2012-2013 Future Deficit Reserve (\$21.9 million); Fee Supported – Building Reserve (\$15.2 million); Workers' Compensation/General Liability Reserve (\$10.0 million); Salaries and Benefits Reserve (\$5.0 million); Fee Supported – Fire Reserve (\$4.1 million); Fee Supported – Public Works Reserve (\$3.5 million); Fiscal Reform Plan Implementation Reserve (\$1.6 million); Fee Supported – Planning Reserve (\$1.5 million); and Retiree Pre-Payment Reserve (\$1.0 million). All of the Earmarked Reserves were approved for rebudget or were used as a funding source in the 2012-2013 Adopted Budget.

Funding for the Ending Fund Balance Reserve (\$25.2 million) was set aside as part of the 2011-2012 Mid-Year Budget Review (\$12.0 million) and as part of 2011-2012 year-end clean-up actions (\$13.2 million). Annually, as part of the General Fund Forecast and during the development of the Proposed Budget for the following year, a certain amount of current year unrestricted ending fund balance is estimated to be available at the end of the year as a funding source for the following year's budget. This ending fund balance is expected to be generated from additional revenues above budgeted levels, expenditure savings, and the liquidation of carryover encumbrances during the year. To ensure the 2011-2012 ending fund balance estimate of \$25.2 million was available for use as assumed in the development of the 2012-2013 Adopted Budget, funding was proactively set aside during 2011-2012.

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Highlights of Non-Departmental Expenditures and Variances

- At the end of the year, the General Fund Contingency Reserve balance was \$29.3 million. As part of the 2012-2013 Adopted Budget, the full Contingency Reserve was rebudgeted. No additional funding is necessary to be added to the Contingency Reserve in 2012-2013 in order to comply with the Council Policy of maintaining a 3% Contingency Reserve in the General Fund. It is important to note, however, that if this Contingency Reserve is ever needed, it is only sufficient enough to cover General Fund payroll expenditures for approximately two and a half weeks in the event of an emergency. This level of reserve is a very low amount for a city the size of San José.

Included in this document are recommendations to increase Earmarked Reserves by \$10.5 million to establish a Successor Agency City Legal Obligations Reserve (\$7.5 million) and increase the Workers' Compensation/General Liability Reserve (\$3.0 million, from \$10 million to \$13 million). Detailed descriptions of these actions can be found in Section IV of this document.

Recommended General Fund Expenditure Adjustments

Recommended expenditure adjustments and clean-up actions can be found in *Section IV – Recommended Budget Adjustments and Clean-Up Actions* of this document. Adjustments are in the following categories: Required Technical/Rebalancing Actions, Grants/Reimbursements/Fees, and Urgent Fiscal/Program Needs and are described in detail in the General Fund Recommended Budget Adjustments Summary. In addition, clean-up actions can also be found in this section with a detailed description found in the introduction of that section.