

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>AFFORDABLE HSG INVEST FD (346)</b>				
<b><i>Auto Repair Assistance Program</i></b>	Housing		\$100,000	
Establishes an Auto Repair Assistance Program appropriation to provide emergency auto repair assistance to qualified low-income families and individuals to either facilitate their job search and job training or to assist them in maintaining their current employment.				
<b><i>Ending Fund Balance Adjustment</i></b>	Housing		(\$5,150,000)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b><i>Hazard Mitigation Grant Match</i></b>	Housing		\$450,000	
Establishes a Hazard Mitigation Grant Match appropriation to reflect the remaining portion of the City's local match as part of a grant agreement between the City and California Emergency Management Agency (CalEMA) for the Hazard Mitigation Grant Program. As agreed, CalEMA will provide grant funds to cover 75% of the proposed activity costs (\$3.0 million) and the City will contribute 25% of local match funds (\$1.0 million). This program will provide financial assistance to mobile home owners in designated areas of San José to seismically retrofit their mobile homes.				
<b><i>Housing Loans and Grants</i></b>	Housing		\$4,600,000	
Increases the Housing Loans and Grants appropriation to provide additional funding for housing projects. In the 2012-2013 Adopted Operating Budget, \$12.0 million was programmed for housing projects. However, after further evaluation of the projects, an increase is necessary (from \$12.0 million to \$16.6 million) to reflect actual funding needs. Total funding will provide for the following housing projects: Markham Terrace (\$10.0 million), Leigh and Southwest Expressway (\$5.0 million), and First Community Housing's North San Pedro Project (\$1.6 million).				
<b>TOTAL AFFORDABLE HSG INVEST FD (346)</b>			<b>\$0</b>	<b>\$0</b>
<b>AIRPORT CAPITAL IMPVVT FUND (520)</b>				
<b><i>Taxiway W Improvements/Earned Revenue</i></b>	Airport Capital Program		(\$5,275,000)	(\$5,275,000)
Decreases the estimate for grant revenue from the Federal Aviation Administration (FAA), with a corresponding decrease to the Taxiway W Improvements appropriation by \$5.275 million. As a result of lower than anticipated bids for construction, a decrease of \$5.307 million will adjust funding for Phase IV of the construction of the Taxiway W Improvements project. This adjustment is partially offset by an increase of \$32,000 to reflect the approved FAA grant amendment for eligible and allowable project costs for Phase I of the project.				
<b>TOTAL AIRPORT CAPITAL IMPVVT FUND (520)</b>			<b>(\$5,275,000)</b>	<b>(\$5,275,000)</b>

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>AIRPORT RENEW &amp; REPL FUND (527)</b>				
<b><i>Airport Technology Services</i></b>	Airport Capital Program		\$91,000	
Increases the Airport Technology Services appropriation by \$91,000 for the Telephony Project. This funding will provide for consultant services and the replacement of phones to maintain the reliability of the Airport emergency phone systems.				
<b><i>Ending Fund Balance Adjustment</i></b>	Airport Capital Program		(\$501,000)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b><i>Network Replacement</i></b>	Airport Capital Program		\$70,000	
Increases the Network Replacement appropriation by \$70,000 to provide funding for software upgrades and consultant services to perform the switch configuration. This will stabilize the network while reducing network outages and redundancy issues that impacts the operations of the Airport and the Airlines.				
<b><i>Terminal Building Modifications</i></b>	Airport Capital Program		\$80,000	
Increases the Terminal Building Modifications appropriation by \$80,000 for the installation of fire smoke dampers in the Federal Inspection Services (FIS) facility located in Terminal A. The fire smoke dampers will isolate the location of any heat or smoke issues by closing the affected dampers without shutting down the entire system.				
<b><i>Terminal Elevator Upgrades</i></b>	Airport Capital Program		\$260,000	
Establishes the Terminal Elevator Upgrades appropriation in the amount of \$260,000 for the rehabilitation of four passenger elevators and one freight elevator located in the FIS facility. These are priority upgrades based on an assessment of older elevators and escalators and require immediate attention to reduce emergency repairs. Based on the assessment, it is anticipated that additional funding will need to be allocated as part of the 2013-2014 Capital Budget process to address the condition of the aging equipment.				
<b>TOTAL AIRPORT RENEW &amp; REPL FUND (527)</b>			<b>\$0</b>	<b>\$0</b>
<b>AIRPORT REV BOND IMP FUND (526)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Airport Capital Program		\$192,000	
Increases the Ending Fund Balance to offset the action recommended in this report.				
<b><i>Taxiway W Improvements</i></b>	Airport Capital Program		(\$192,000)	
Decreases the Taxiway W Improvements appropriation by \$192,000. As a result of lower than anticipated project costs, a decrease to the local share and construction contingency reserve will reflect the approved funding for phase IV of the construction of the Taxiway W Improvements project.				
<b>TOTAL AIRPORT REV BOND IMP FUND (526)</b>			<b>\$0</b>	<b>\$0</b>

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<b>BLDG &amp; STRUCT CONST TAX FD (429)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Traffic Capital Program		(\$350,000)	
Decreases the Ending Fund Balance to offset the action recommended below.				
<b><i>San Carlos Multimodal Streetscape Phase I</i></b>	Traffic Capital Program		\$350,000	
Increases the San Carlos Multimodal Streetscape Phase I project. This project is in need of additional resources for several reasons, such as utility conflicts, changes to the design, minor scope changes, and the increasing complexity resulting in additional staff charges. An offsetting adjustment to the Ending Fund Balance is also recommended in this report.				
<b>TOTAL BLDG &amp; STRUCT CONST TAX FD (429)</b>			<b>\$0</b>	<b>\$0</b>
<b>BUSINESS IMPVT DIST FUND (351)</b>				
<b><i>Downtown Business Improvement District/Earned Revenue</i></b>	Economic Development		\$159,435	\$159,435
Increases the estimate for Earned Revenue and the corresponding Downtown Business Improvement District budget by \$159,435 to reflect additional assessments anticipated to be received from property owners in this district. The funding pays for maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities in the area.				
<b><i>Hotel Business Improvement District/Earned Revenue</i></b>	Economic Development		\$642,525	\$642,525
Increases the estimate for Earned Revenue and the corresponding Hotel Business Improvement District budget by \$642,525 to reflect additional assessments anticipated to be received from property owners in this district. The funding pays for research/re-branding of San José, co-op promotions, new promotional materials, and sponsorship of room-night generating events in the area.				
<b><i>Japantown Business Improvement District/Earned Revenue</i></b>	Economic Development		\$4,560	\$4,560
Increases the estimate for Earned Revenue and the corresponding Japantown Business Improvement District budget by \$4,560 to reflect additional assessments anticipated to be received from property owners in this district. The funding pays for maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities in the area.				
<b>TOTAL BUSINESS IMPVT DIST FUND (351)</b>			<b>\$806,520</b>	<b>\$806,520</b>
<b>CITY HALL DEBT SERVICE FUND (210)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Finance		\$11,535	
Increases the Ending Fund Balance to offset the actions recommended in this report.				
<b><i>Transfer from the Civic Center Construction Fund</i></b>	Finance			\$522,000
Increases the estimate for Transfers to reflect the receipt of the balance of funds held by the bond trustee in the Civic Center Construction Fund to the City Hall Debt Service Fund, where they will be used to partially offset the 2012-2013 City Hall Debt Service payment. These funds must be transferred out of the bond trustee to allow for future bond refinancing actions that will yield savings to the General Fund.				

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>CITY HALL DEBT SERVICE FUND (210)</b>				
<b><i>Transfer to the Civic Center Construction Fund</i></b>	Finance		\$510,465	
Establishes a Transfer to the Civic Center Construction Fund of unrestricted cash proceeds to pay for previous expenditures that are ineligible for bond funding reimbursement, and to establish a new appropriation to complete all closeout activities related to the construction of the Civic Center.				
<b>TOTAL CITY HALL DEBT SERVICE FUND (210)</b>			<b>\$522,000</b>	<b>\$522,000</b>
<b>CIVIC CENTER CONSTRUCTION FD (425)</b>				
<b><i>City Hall Construction Close-out</i></b>	Muni Improvements Capital Program		\$273,000	
Establishes a new appropriation to encompass all remaining close-out costs related to the construction of the Civic Center, including contractor retention (\$236,000), consultant services for waterproofing work in the underground parking garage (\$24,000), and City staff time (\$13,000). These costs are offset by a transfer of unrestricted funds from the City Hall Debt Service Fund.				
<b><i>City Hall Garage Waterproofing</i></b>	Muni Improvements Capital Program		(\$5,697)	
Eliminates the City Hall Garage Waterproofing appropriation. Waterproofing activity will instead be funded from the new City Hall Construction Close-out appropriation recommended above.				
<b><i>Ending Fund Balance Adjustment</i></b>	Muni Improvements Capital Program		(\$278,838)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b><i>Transfer from the City Hall Debt Service Fund</i></b>	Muni Improvements Capital Program			\$510,465
Establishes an estimate for Transfers of unrestricted cash proceeds from the City Hall Debt Service Fund to the Civic Center Construction Fund to pay for previous expenditures that are ineligible for bond funding reimbursement, and to establish a new appropriation to complete all close-out activities related to the construction of the City Hall.				
<b><i>Transfer to the City Hall Debt Service Fund</i></b>	Muni Improvements Capital Program		\$522,000	
Transfers the balance of funds held by the bond trustee in the Civic Center Construction Fund to the City Hall Debt Service Fund, where they will be used to partially offset the 2012-2013 City Hall Debt Service payment. These funds must be transferred out of the bond trustee to allow for future bond refinancing actions that will yield savings to the General Fund.				
<b>TOTAL CIVIC CENTER CONSTRUCTION FD (425)</b>			<b>\$510,465</b>	<b>\$510,465</b>
<b>CONST/CONV TAX FIRE FUND (392)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Public Safety Capital Program		(\$900,000)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				

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<b>CONST/CONV TAX FIRE FUND (392)</b>				
<b><i>Facilities Improvements</i></b>	Public Safety Capital Program		\$155,000	
Increases the Facilities Improvements appropriation by \$155,000 to fund repairs and improvements at various fire stations, including but not limited to exterior painting at Fire Station 22, generator repairs at Fire Station 31, replacement of pipes at Fire Station 15, and air compressor repairs at Fire Station 20.				
<b><i>Fire Construction and Conveyance Tax Fund and Neighborhood Security Bond Fund Expenditures Alignment</i></b>	Public Safety Capital Program		\$66,000	\$66,000
Increases the revenue estimate for Transfers and establishes a Transfer to the Neighborhood Security Bond Fund (Bond Fund) in the amount of \$66,000 in order to: 1) recognize the transfer of bond proceeds from the Bond Fund to reimburse the Fire C&C Fund for costs associated with several Public Safety Capital projects; and 2) transfer funding to the Bond Fund to allocate Fire C&C Fund funding to reimburse the Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds.				
<b><i>Fire Hose Replacement</i></b>	Public Safety Capital Program		\$40,000	
Increases the Hose Replacement appropriation by \$40,000 to address the need to replace more hose than originally anticipated in 2012-2013. In addition, the hose is worn and nearing the end of its useful life.				
<b><i>Fire Station 21 - Relocation (White Road)</i></b>	Public Safety Capital Program		(\$159,000)	
Decreases the Fire Station 21 - Relocation (White Road) appropriation by \$159,000 to provide funding for the Fire Station 5 Remediation project. Fire Station 21 is a relocation project and the estimated project costs are primarily funded from the Public Safety Bond Fund (\$391,000) with a small portion programmed in the Fire C&C Fund. The Fire Station 21 relocation project has not been scheduled, so the exact funding amount needed for the project has not been finalized. The total funding needs for the relocation of Fire Station 21 will be reevaluated closer to the contract award for the project to determine if the \$159,000 recommended for Fire Station 5 is needed to fund the final Fire Station 21 relocation costs.				
<b><i>Fire Station 5 Remediation/Transfers</i></b>	Public Safety Capital Program		\$1,096,000	\$232,000
Establishes a Fire Station 5 Remediation appropriation in the Fire C&C Fund for \$1,096,000. Total project funding of \$1,185,000 is needed for urgent facility maintenance needs at Fire Station 5 with the remainder of funding in the Neighborhood Security Bond Fund (\$89,000). Due to recently-identified mold issues, Fire Station 5 has become uninhabitable until abatement actions are taken. The station crew has moved out of the station and are being deployed from Fire Station 34 until a temporary site closer to Fire Station 5 can be determined. The establishment of an estimate for Transfers (\$232,000) is also recommended to recognize funding from the following General Fund appropriations: Public Works Non-Personal/Equipment (deferred maintenance) (\$107,000), Unanticipated/Emergency Repairs (\$75,000), and Public Works Unfunded Projects (\$50,000).				
<b>TOTAL CONST/CONV TAX FIRE FUND (392)</b>			<b>\$298,000</b>	<b>\$298,000</b>

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<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>CONST/CONV TAX PK CD 4 FUND (381)</b>				
<b>Ending Fund Balance Adjustment</b>	Parks & Comm Fac Dev Capital Program		(\$845,000)	
Decreases the Ending Fund Balance to offset the action recommended in this report.				
<b>Transfer to the Subdivision Park Trust Fund</b>	Parks & Comm Fac Dev Capital Program		\$845,000	
Establishes a transfer to the Subdivision Park Trust Fund in the amount of \$845,000. In June 2012, the City Council approved a gas line easement modification with Pacific Gas and Electric (PG&E) expanding the existing easement on Baypointe Parkway. In 2011-2012, the funds were inadvertently deposited in the Council District 4 Construction and Conveyance Tax Fund versus the Subdivision Park Trust Fund. Baypointe Parkway was originally transferred to the City in lieu of a parkland fee, therefore, revenue associated with this easement is required to be deposited in the Subdivision Park Trust Fund for future land acquisition in the North San José area. A corresponding recommendation to increase the funding in the Subdivision Park Trust Fund is recommended elsewhere in this report.				
<b>TOTAL CONST/CONV TAX PK CD 4 FUND (381)</b>			<b>\$0</b>	<b>\$0</b>
<b>CONST/CONV TAX PK CD10 FD (389)</b>				
<b>Ending Fund Balance Adjustment</b>	Parks & Comm Fac Dev Capital Program		\$20,000	
Increases the Ending Fund Balance to offset the action recommended below.				
<b>Transfer from General Fund: Leland Sports Field Repayment</b>	Parks & Comm Fac Dev Capital Program			\$20,000
Establishes a Transfer to Council District 10 Construction and Conveyance Tax Fund in the amount of \$20,000 from the General Fund toward the total repayment of \$350,000 that originally supported the addition of an enhanced concession/storage/bathroom facility at the Leland Sports Field. As approved by City Council in March 2007, a portion of the fees collected annually from the use of this sports field will be used to repay Council District 10 Construction and Conveyance Tax Fund until full repayment. This repayment is in addition to a repayment that was approved as part of the 2010-2011 Annual Report in the amount of \$120,000. Therefore, a total of \$210,000 remains to be repaid to the Council District 10 Construction and Conveyance Tax Fund.				
<b>TOTAL CONST/CONV TAX PK CD10 FD (389)</b>			<b>\$20,000</b>	<b>\$20,000</b>
<b>CONST/CONV TAX PKS CW FUND (391)</b>				
<b>Ending Fund Balance Adjustment</b>	Parks & Comm Fac Dev Capital Program		(\$40,000)	
Decreases the Ending Fund Balance to offset the action recommended in this report.				

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<b>CONST/CONV TAX PKS CW FUND (391)</b>				
<b><i>Family Camp Master Plan</i></b>	Parks & Comm Fac Dev Capital Program		\$40,000	
Increases the Family Camp Master Plan project by \$40,000 to reflect higher than anticipated permit costs. This funding is needed for costs associated with securing a hydrologist who will gather necessary information to obtain a California Department of Fish and Game Stream Bed Alteration permit and an Army Corp permit for Family Camp.				
<b>TOTAL CONST/CONV TAX PKS CW FUND (391)</b>			<b>\$0</b>	<b>\$0</b>
<b>CONSTRUCTION EXCISE TAX FD (465)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Traffic Capital Program		(\$6,610,000)	
Decreases the Ending Fund Balance to offset actions recommended in this report.				
<b><i>Innovative Bicycle Detection System/Earned Revenue</i></b>	Traffic Capital Program		\$230,000	\$120,000
Establishes a \$230,000 appropriation for the Innovative Bicycle Detection System project. This project, which will be partially reimbursed (\$120,000) by a federal grant, will fund a study and field analysis of bicycle signal detection technologies and the installation of technologies on key priority bikeway corridors on the City's Primary Bikeway Network. This project will improve bicycle comfort and safety, making bicycling an appealing alternative to short vehicular trips, and attractive as a "last mile" solution to reaching public transit.				
<b><i>Pavement Maintenance- State Gas Tax/Earned Revenue</i></b>	Traffic Capital Program		\$3,625,000	\$3,625,000
Increases the revenue estimate for State Gas Tax proceeds by \$3,625,000 and increases the associated Pavement Maintenance - State Gas Tax appropriation. State Gas Tax collections in 2011-2012 were higher than anticipated, and the increased collection level is expected to continue in 2012-2013. This action will bring the 2012-2013 budgeted revenue estimate in line with 2011-2012 collections. This funding will be used to seal and resurface streets in the Priority Streets Network in 2012-2013.				
<b><i>Reserve for Pavement Maintenance</i></b>	Traffic Capital Program		\$6,500,000	
Establishes a Reserve for Pavement Maintenance in the amount of \$6.5 million due to the strength of 2011-2012 Construction Excise Tax collections and expenditure savings across the fund. As detailed in the 2012-2013 Adopted Capital Budget, a significant portion of the City's roads will no longer be proactively maintained due to funding shortfalls, including 400 miles of major streets and all 1,600 miles of local/neighborhood streets. This reserve, while not sufficient to address all of these needs (\$80.0 million projected annual cost), can be used for the highest needs in these areas. The uses of these funds will be examined in the coming months and, if feasible, a recommendation to utilize these funds may be brought forward for City Council consideration for the 2013 paving season.				
<b>TOTAL CONSTRUCTION EXCISE TAX FD (465)</b>			<b>\$3,745,000</b>	<b>\$3,745,000</b>

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<b>CONV/CULTURAL AFFAIRS FUND (536)</b>				
<b><i>Convention Center Expansion/Renovation Construction Coordination</i></b>	Convention Facilities Dept		\$160,000	
Establishes a Convention Center Expansion/Renovation Construction Coordination project. This funding will allow for the funding of a consultant who will facilitate project communication and coordination between the construction team, Team San José work groups, and external stakeholders such as vendors and hotels during the Convention Center expansion/renovation. The Convention Center Expansion/Renovation project is anticipated to be completed in September 2013.				
<b><i>Convention Center Fixtures, Furniture, and Equipment</i></b>	Convention Facilities Dept		\$2,200,000	
Increases the allocation for Fixtures, Furniture, and Equipment (FF&E) by \$2.2 million, from \$300,000 to \$2.5 million to address the unfunded portion of the most urgent FF&E needs. Currently, only \$2.3 million of the \$4.5 million projected FF&E cost is funded (\$2.0 million in the Convention Center Expansion/Renovation project, and \$300,000 in this appropriation). The need for additional FF&E funding has existed for some time, however, with the scheduled September 2013 completion of the Convention Center Expansion/Renovation project, this allocation of resources is not recommended to be deferred any longer. The allocation of resources towards this project will ensure that the FF&E can be ordered, manufactured, and installed in advance of the project's completion. The increase to this appropriation should not jeopardize the City Council-approved strategy of retaining \$1.5 million in fund balance at the end of the construction as offsetting actions, including the usage of additional fund balance generated in 2011-2012, are recommended in this report.				
<b><i>Convention Center Kitchen Remodel</i></b>	Convention Facilities Dept		(\$200,000)	
Eliminates funding allocated towards the Kitchen Center Remodel project. This appropriation, intended for the design of the Convention Center Kitchen Remodel, is no longer required as these costs were charged to the Convention Center Expansion/Renovation construction project. Savings realized from eliminating this project are recommended to be used towards the recommended allocation of resources for FF&E, as described above.				
<b><i>Convention and Visitor's Bureau Marketing Services</i></b>	Convention Facilities Dept		(\$449,000)	
Decreases the allocation for Convention and Visitor's Bureau (CVB) Marketing Services by \$449,000, leaving \$51,000 for this purpose in the Convention and Cultural Affairs Fund. This action will have no impact on the CVB's operations, as an offsetting increase for the CVB is recommended in the Transient Occupancy Tax (TOT) Fund based on stronger 2011-2012 TOT receipts and a resulting increase to the 2012-2013 budgeted TOT revenue estimate as recommended elsewhere in this report. Savings realized from this reduction are recommended to be used towards the recommended allocation of resources for FF&E, as described above.				
<b><i>Ending Fund Balance Adjustment</i></b>	Convention Facilities Dept		(\$812,908)	
Decreases the Ending Fund Balance to offset actions recommended in this report.				



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<b>CONV/CULTURAL AFFAIRS FUND (536)</b>				
<b><i>Transfer from the Transient Occupancy Tax Fund</i></b>	Convention Facilities Dept			\$898,092
<p>Increases the estimate for Transfers from the Transient Occupancy Tax (TOT) Fund in accordance with the TOT distribution formula outlined in the San José Municipal Code. The 2012-2013 Adopted Budget assumed TOT growth of 5% from 2011-2012 estimated collections. As a result of higher than anticipated 2011-2012 collections, the 2012-2013 Adopted Budget estimate allows for an increase of only 0.6%. With no indications of reduced activity, a recommendation is included elsewhere in this report to increase the budgeted estimate to once again allow for growth of 5% from 2011-2012 consistent with adopted budget levels. The increase recommended in this action is due to two factors: higher than anticipated 2011-2012 TOT receipts (\$609,965), and a recommended increase to the 2012-2013 TOT revenue estimate (\$288,127), which results in increased allocations to each of the three TOT recipient organizations.</p>				
<b>TOTAL CONV/CULTURAL AFFAIRS FUND (536)</b>			<b>\$898,092</b>	<b>\$898,092</b>
<b>EDW BYRNE MEMORIAL JAG FD (474)</b>				
<b><i>2010 Justice Assistance Grant</i></b>	Police		\$570	
<p>Increases the 2010 Justice Assistance Grant appropriation to reflect interest earnings for the JAG 2010 grant cycle, that were previously unallocated, in order to expend these funds by the spending deadline of September 30, 2012.</p>				
<b><i>Ending Fund Balance Adjustment</i></b>	Police		(\$570)	
<p>Decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<b>TOTAL EDW BYRNE MEMORIAL JAG FD (474)</b>			<b>\$0</b>	<b>\$0</b>
<b>GENERAL PURPOSE PARKING FD (533)</b>				
<b><i>Convention Center Parking Garage Earned Revenue</i></b>	Transportation			\$650,000
<p>Increases the budgeted revenue estimate for the Convention Center Parking Garage by \$650,000. When the 2012-2013 Adopted Budget was developed, it was assumed that parking activity at the Convention Center Garage would decline by approximately 40% due to temporary negative effects from the Convention Center Expansion and Renovation project. Upon further analysis and consultation with Team San José, it is now anticipated that overall parking activity will decline by only 17%, allowing for an increase of \$650,000 to the revenue estimate (bringing the estimate from \$1.6 million to \$2.25 million) included in the 2012-2013 Adopted Budget.</p>				
<b><i>Ending Fund Balance Adjustment</i></b>	Transportation		\$650,000	
<p>Increases the Ending Fund Balance to offset the action recommended in this report.</p>				
<b>TOTAL GENERAL PURPOSE PARKING FD (533)</b>			<b>\$650,000</b>	<b>\$650,000</b>

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<b>GIFT TRUST FUND (139)</b>				
<b><i>Cat Spay/Neuter Program</i></b>				
Eliminates the appropriation to the City Manager's Office for the Cat Spay/Neuter Program in order to move this funding to the Public Works Department. This gift was initially received by the City Manager's Office, however, as the spay/neuter program is administered by the Public Works Department, the funding must be appropriated to that department. A corresponding action in this fund increases the Spay/Neuter Program appropriation to the Public Works Department.	City Manager		(\$2,736)	
<b><i>Ending Fund Balance Adjustment</i></b>				
Increases the Ending Fund Balance to offset actions recommended in this report.	Finance		\$8,142	
<b><i>IPA's Teen Leadership Council/Earned Revenue</i></b>				
Increases the IPA's Teen Leadership Council appropriation and the Earned Revenue estimate to recognize funds from Comerica Bank and appropriate the funding for Teen Leadership Council (TLC) activities. The Independent Police Auditor's (IPA) Office will use monies to fund TLC expenses and activities including travel, background checks for chaperones, outreach, training, stipends for volunteer college intern and TLC participants, TLC retreat, and additional costs that arise for items such as bus tokens, outreach, printing, and refreshments.	Independent Police Auditor		\$5,000	\$5,000
<b><i>Library-General Gifts/Earned Revenue</i></b>				
Increases the Library-General Gifts appropriation and corresponding estimate for Earned Revenue to recognize and appropriate gifts made in support of Smart Start Child Care Training Program (\$237,500) to provide second year training services to program participants as well as gifts totaling \$5,619 for general programming and supplies in support of the Alum Rock, Joyce Ellington, Pearl Avenue, Santa Teresa, Vineland, Willow Glen, and West Valley branch libraries.	Library		\$243,119	\$243,119
<b><i>Almaden Lake Park Rangers</i></b>				
Establishes an Almaden Lake Park Rangers appropriation in the amount of \$28,622 to fund Park Rangers at Almaden Lake. Council District 10 had previously raised funds to support the swim program at Almaden Lake Park; however, the open water swim program at Almaden Lake was eliminated due to bacteria and algae bloom issues. The Mayor's 2012-2013 June Budget Message, as approved by the City Council, directed the Administration to work with Council District 10 and the Parks Foundation to reallocate the funds to PRNS for other District 10 parks and trail programs as early in 2012-2013 as possible. Based on discussions with the Council Office and the Parks Foundation, it is recommended to allocate the funds for additional part-time unbenefitted Park Ranger hours to District 10 parks and trails with a focus on Almaden Lake. Also included elsewhere in this report are General Fund appropriation actions to reallocate donated funds originally intended to support the Almaden Lake Swim Program to Park Rangers (\$18,510) bringing the total amount to \$47,132 which will fund approximately 1,900 part-time unbenefitted Park Ranger hours. A corresponding decrease to the Lake Almaden Summer 2010 appropriation in the Gift Trust Fund of \$28,622 is also included in this report.	Parks, Rec, & Neigh Svcs		\$28,622	

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>GIFT TRUST FUND (139)</b>				
<b><i>HNVF Stronger Communities</i></b>	Parks, Rec, & Neigh		(\$13,543)	
Eliminates the HNVF Stronger Communities appropriation to correct a technical error. With the elimination of the HNVF Program, the grantor of these funds agreed to rededicate these resources to support the Safe Summer Initiative Program, a program that funds safe outdoor community activities for youth ages six to 18 in an effort to prevent gang activity. The funding was moved to the General Gifts Over \$1,000 appropriation in 2011-2012 and is available in that appropriation for that purpose. When the funding was shifted, the budget in the HNVF Stronger Communities appropriation was inadvertently not adjusted to reflect the fact that the funding was no longer available for that purpose.	Svcs			
<b><i>Lake Almaden Summer 2010</i></b>	Parks, Rec, & Neigh		(\$28,622)	
Decreases the Lake Almaden Summer 2010 Gift Trust Fund appropriation by \$28,622 to fund Park Rangers at Almaden Lake. Council District 10 had previously raised funds to support the swim program at Almaden Lake Park; however, the open water swim program at Almaden Lake was eliminated due to bacteria and algae bloom issues. The Mayor's 2012-2013 June Budget Message, as approved by the City Council, directed the Administration to work with Council District 10 and the Parks Foundation to reallocate the funds to PRNS for other District 10 parks and trail programs as early in 2012-2013 as possible. Based on discussions with the Council Office and the Parks Foundation, it is recommended to allocate the funds for additional part-time unbenefitted Park Ranger hours to District 10 parks and trails with a focus on Almaden Lake. Also included elsewhere in this report are General Fund appropriation actions to reallocate donated funds originally intended to support the Almaden Lake Swim Program to Park Rangers (\$18,510) bringing the total amount to \$47,132 which will fund approximately 1,900 part-time unbenefitted Park Ranger hours. A corresponding action to establish an Almaden Lake Park Rangers appropriation in the amount of \$28,622 is also included in this report.	Svcs			
<b><i>Rose Garden Fountain</i></b>	Parks, Rec, & Neigh		\$5,401	
Reestablishes the Rose Garden Fountain appropriation and increases the corresponding estimate for Earned Revenue in the amount of \$5,402 to fund the monthly maintenance of the Rose Garden fountain for a year.	Svcs			
<b><i>Safe Summer Initiative/Earned Revenue</i></b>	Parks, Rec, & Neigh		\$15,003	\$15,003
Increases the Safe Summer Initiative appropriation and increases the estimate for Earned Revenue by \$15,003 to recognize and appropriate a gift that supports 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.	Svcs			

## Special/Capital Funds Recommended Budget Adjustments Summary Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>GIFT TRUST FUND (139)</b>				
<b><i>Animal Services/Earned Revenue</i></b>	Public Works		\$10,481	\$10,481
Increases the Animal Services appropriation and the estimate for Earned Revenue to recognize gifts received between July 1, 2012 and August 30, 2012 for animal services. The funds will be used to pay for vet surgical services and other services and products needed at the animal shelter.				
<b><i>Spay/Neuter Program</i></b>	Public Works		\$2,736	
Increases the appropriation to the Public Works Department for Spay/Neuter Program to recognize funding that is being shifted over for this purpose from the City Manager's Office. This gift was initially received by the City Manager's Office, however, as the spay/neuter program is administered by the Public Works Department the funding must be appropriated to that department. A corresponding action in this report decreases the Cat Spay/Neuter Program appropriation to the City Manager's Office.				
<b>TOTAL GIFT TRUST FUND (139)</b>			<b>\$273,603</b>	<b>\$273,603</b>
<b>HOME INVEST PART PROG FUND (445)</b>				
<b><i>Housing Loans and Grants/Earned Revenue</i></b>	Housing		(\$865,351)	(\$865,351)
Decreases the Housing Loans and Grants appropriation and the associated revenue estimate from the federal government as a result of project delays. In the development of the 2012-2013 Adopted Budget, staff anticipated granting construction loans to the Japantown and Donna Lofts Housing Projects; however, both projects are experiencing delays in the pre-development loan process and are unlikely to move into the construction phase in 2012-2013.				
<b><i>Rehabilitation Program/Earned Revenue</i></b>	Housing		(\$1,000,000)	(\$1,000,000)
Eliminates the Rehabilitation Program and the corresponding revenue estimate as funding is not needed in this fund for the program. This program has historically been funded in the Community Development Block Grant (CDBG) Fund. Funding for this program, along with a corresponding revenue estimate, was allocated in this fund as part of the 2012-2013 Adopted Budget in anticipation of a reduction in federal funding in the CDBG Fund. However, since the development of the 2012-2013 Adopted Budget, sufficient funding was programmed in CDBG for this program, resulting in the recommended elimination of the program and related funding in the Home Investment Partnership Program Fund.				

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>HOME INVEST PART PROG FUND (445)</b>				
<b><i>Tenant Based Rental Assistance/Earned Revenue</i></b>	Housing		(\$345,184)	(\$345,184)
Decreases the Tenant Based Rental Assistance (TBRA) appropriation and the corresponding revenue estimate to reflect savings due to a change in the program administrators contract and anticipated delays in the program due to a change in the project's focus. The TBRA Program is a rental subsidy program to help households afford housing costs such as rent and security deposits. The program targets the chronically homeless with a focus on two special needs populations: individuals and/or households that are severely mentally ill and/or people with substance abuse/addiction disorders. In 2012-2013, the program will also start to target the individuals and/or households in the homeless encampments. With this new focus, the program has been experiencing some delays and therefore will likely have fewer clients than originally programmed.				
<b>TOTAL HOME INVEST PART PROG FUND (445)</b>			<b>(\$2,210,535)</b>	<b>(\$2,210,535)</b>
<b>INTEGRATED WASTE MGT FUND (423)</b>				
<b><i>Reserve for Operations and Maintenance</i></b>	Environmental Services		(\$32,300)	
Decreases the Reserve for Operations and Maintenance to offset actions recommended in this report.				
<b><i>Delinquent Lien Releases</i></b>	Finance		\$26,000	
Increases the appropriation to the Finance Department from \$195,000 to \$221,000 for Delinquent Lien Releases to provide sufficient funding for higher payments to the County of Santa Clara for processing garbage lien releases. The City pays the County of Santa Clara a fee for processing the release of each garbage lien. Because of an increase in the number of lien cycles, from four cycles to six cycles per year, an increased number of liens are now being placed on properties and thus an increased number of lien releases are being processed by the County.				
<b><i>Non-Personal/Equipment (PWCAP Rate Increases)</i></b>	Public Works		\$6,300	
Increases the Public Works Department Non-Personal/Equipment appropriation by \$6,300 to align with the Public Works Program Support rate of 6.4%. As part of the development of the 2012-2013 Adopted Budget, a slightly lower rate was inadvertently applied in this fund.				
<b>TOTAL INTEGRATED WASTE MGT FUND (423)</b>			<b>\$0</b>	<b>\$0</b>
<b>LAKE CUNNINGHAM FUND (462)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Parks & Comm Fac Dev Capital Program		(\$100,000)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				

## Special/Capital Funds Recommended Budget Adjustments Summary Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>LAKE CUNNINGHAM FUND (462)</b>				
<b><i>Lake Cunningham Bike Park Design</i></b>	Parks & Comm Fac Dev Capital Program		\$100,000	
Establishes the Lake Cunningham Bike Park Design project for \$100,000. This allocation will provide funding to develop a detailed site plan and permitting for a bike park at Lake Cunningham Park. If this funding is approved, it is anticipated design work will be completed by December 2012. Once the design is complete, a final budget, schedule, scope of work, and the operating and maintenance impact will be determined. A recommendation to allocate reserve funding for the future construction of the bike park is recommended elsewhere in this report.				
<b><i>Reserve: Lake Cunningham Bike Park</i></b>	Parks & Comm Fac Dev Capital Program		\$300,000	
Establishes a reserve of funds for the future construction of the Lake Cunningham Bike Park. A separate action is recommended elsewhere in this report to allocate funding for the design of this park (\$100,000). Once the design is complete, a final budget, schedule, scope of work, and the operating and maintenance impact will be determined.				
<b><i>Reserve: Lake Cunningham Future Projects</i></b>	Parks & Comm Fac Dev Capital Program		(\$300,000)	
Decreases the Reserve: Lake Cunningham Future Projects allocation to offset the actions recommended in this report.				
<b>TOTAL LAKE CUNNINGHAM FUND (462)</b>			<b>\$0</b>	<b>\$0</b>
<b>MULTI-SOURCE HOUSING FD (448)</b>				
<b><i>HOPWA SHAPSS/Earned Revenue</i></b>	Housing		\$31,637	\$31,637
Increases the revenue estimate for Earned Revenue and increases the funding for Housing Opportunities for Persons with AIDS - Share Housing Assistance Placement and Supportive Service (HOPWA SHAPSS). This adjustment will increase the allocation from \$426,459 to \$458,096 to reflect the actual grant awarded from the U.S. Department of Housing and Urban Development.				
<b><i>Municipal Whole House Rehabilitation Pilot Program/Earned Revenue</i></b>	Housing		\$370,000	\$370,000
Establishes the Municipal Whole House Rehabilitation Pilot Program and increases the revenue estimate to recognize grant funding from Pacific Gas and Electric (PG&E). This pilot program will allow the Housing Department to conduct up to 80 performance-based energy efficiency retrofits in homes receiving services from the City's Single Family Housing Rehabilitation Program.				
<b><i>Skills to Succeed/Earned Revenue</i></b>	Housing		\$200,000	\$200,000
Increases the Skills to Succeed appropriation and the corresponding revenue estimate to recognize federal grant funding from the U.S. Department of Justice for a job training and employment preparation program for at-risk women who are incarcerated and/or recently released from jail.				
<b>TOTAL MULTI-SOURCE HOUSING FD (448)</b>			<b>\$601,637</b>	<b>\$601,637</b>

## Special/Capital Funds Recommended Budget Adjustments Summary Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>NEIGHBHD SECURITY BOND FD (475)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Public Safety Capital Program		(\$176,328)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b><i>Fire Construction and Conveyance Tax Fund and Neighborhood Security Bond Fund Expenditures Alignment</i></b>	Public Safety Capital Program		\$66,000	\$66,000
These technical adjustments increase the revenue estimate for Transfers and establish a Transfer to the Fire Construction and Conveyance Tax (Fire C&C) Fund in the amount of \$66,000 in order to: 1) recognize the transfer of Fire C&C Fund funding to reimburse the Neighborhood Security Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds; and 2) transfer funding to the Fire C&C to allocate bond proceeds to reimburse that fund for costs associated with several Public Safety Capital projects.				
<b><i>Fire Station 5 Remediation</i></b>	Public Safety Capital Program		\$89,328	
Establishes a Fire Station 5 Remediation appropriation in the Neighborhood Security Bond Fund for \$89,328. Total project funding of \$1,185,000 is needed for urgent facility maintenance needs at Fire Station 5 with the majority of funding in the Fire C&C Fund (\$1,096,000). Due to recently-identified mold issues, Fire Station 5 has become uninhabitable until abatement actions are taken. The station crew has moved out of the station and are being deployed from Fire Station 34 until a temporary site closer to Fire Station 5 can be determined.				
<b><i>Fire Station Upgrades</i></b>	Public Safety Capital Program		\$36,000	
Increases the Fire Station Upgrades appropriation to complete required upgrades at several fire stations including the completion of upgrades to the generator at Fire Station 17 and repairs to the sound system in the apparatus bay at Fire Station 2.				
<b><i>General Fund and Neighborhood Security Bond Fund Expenditures Alignment/Transfers</i></b>	Public Safety Capital Program		\$374,000	\$374,000
Increases the revenue estimate for Transfers and establishes a Transfer to the General Fund in the amount of \$374,000 in order to: 1) recognize the transfer of General Fund funding to reimburse the Neighborhood Security Bond Fund for capital expenditures which have been determined as ineligible to be reimbursed from bond proceeds; and 2) transfer funding to the General Fund to allocate bond proceeds to reimburse that fund for costs associated with several Public Safety Capital projects.				
<b><i>Reserve: Fire Station 37 (Willow Glen)</i></b>	Public Safety Capital Program		\$51,000	
Increases the Reserve: Fire Station 37 (Willow Glen) by \$51,000, the amount of savings remaining in the Fire Station 37 Willow Glen appropriation in 2011-2012, in order to consolidate all remaining Neighborhood Public Safety Bond funding for this project in the Reserve.				
<b>TOTAL NEIGHBHD SECURITY BOND FD (475)</b>			<b>\$440,000</b>	<b>\$440,000</b>

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>PUBLIC WKS PRO SUPPORT FD (150)</b>				
<b><i>Compensated Absences Liability</i></b>	Public Works		\$700,000	
<p>Due to the implementation of GASB 54 as part of the 2011-2012 Comprehensive Annual Financial Report, the Public Works Program Support Fund had to be reclassified as an Internal Service Fund. For Internal Service Funds, the long-term liability of compensated absences is required to be fully funded; however, the 2011-2012 unrestricted fund balance of \$1.1 million is insufficient to fully fund the \$2.8 million in compensated absences liability for this fund. It is recommended to fully fund the liability over a four year period. With \$700,000 expended for compensated absences liability in 2011-2012, this action will allocate an additional \$700,000 to fund this liability for 2012-2013, from the fund's unrestricted fund balance. The remaining \$1.4 million of compensated absences liability will be programmed into the next two budget cycles.</p>				
<b><i>Ending Fund Balance Adjustment</i></b>	Public Works		(\$700,000)	
<p>Reduces the Ending Fund Balance to offset the actions recommended in this report.</p>				
<b>TOTAL PUBLIC WKS PRO SUPPORT FD (150)</b>			<b>\$0</b>	<b>\$0</b>
<b>SEWER SVC &amp; USE CHARGE FD (541)</b>				
<b><i>ESD Non-Personal/Equipment (Financial Advisor Services Agreement)</i></b>	Environmental Services		\$50,000	
<p>Increases the Environmental Services Department Non-Personal/Equipment appropriation for a financial advisor services agreement for bond and financing scenarios related to the Water Pollution Control Plant.</p>				
<b><i>Ending Fund Balance Adjustment</i></b>	Environmental Services		(\$56,300)	
<p>Decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<b><i>Non-Personal/Equipment (PWCAP Rate Increase)</i></b>	Public Works		\$6,300	
<p>Increase the ESD Non-Personal/Equipment appropriation by \$6,300 to align with the Public Works Program Support rate of 6.38%. Inadvertently, as part of the development of the 2012-2013 Adopted Budget a slightly lower rate was applied in this fund.</p>				
<b>TOTAL SEWER SVC &amp; USE CHARGE FD (541)</b>			<b>\$0</b>	<b>\$0</b>
<b>SEWER SVC &amp; USE CHG CAP FD (545)</b>				
<b><i>Capital Program and Public Works Department Support Service Costs</i></b>	Sanitary Sewer Capital Program		\$600,000	
<p>Increases the Capital Program and Public Works Department Support Service Costs appropriation to correct an administrative error that was made as part of the development of the 2012-2013 Adopted Budget.</p>				
<b><i>Ending Fund Balance Adjustment</i></b>	Sanitary Sewer Capital Program		(\$600,000)	
<p>Decreases the Ending Fund Balance to offset the action recommended in this report.</p>				



## Special/Capital Funds Recommended Budget Adjustments Summary Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>SEWER SVC &amp; USE CHG CAP FD (545)</b>				
<b>TOTAL SEWER SVC &amp; USE CHG CAP FD (545)</b>			<b>\$0</b>	<b>\$0</b>
<b>SJ-SC TRMNT PLANT CAP FUND (512)</b>				
<b>Ending Fund Balance Adjustment</b>	Water Pollution Control Cap Prgm		(\$107,000)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b>Recovery Act - South Bay Water Recycling Phase IC</b>	Water Pollution Control Cap Prgm		\$10,000	
Increases the Recovery Act - South Bay Water Recycling Phase IC appropriation to restore grant funding for a carryover encumbrance that was liquidated inadvertently.				
<b>SBWR Master Plan</b>	Water Pollution Control Cap Prgm		\$97,000	
The Santa Clara Valley Water District has contributed \$1.2 million to the SBWR Master Plan cost up to \$2.4 million. This increase is needed to replenish the appropriation for funds spent earlier on preliminary strategic planning prior to the execution of a cost sharing agreement with the Santa Clara Valley Water District.				
<b>TOTAL SJ-SC TRMNT PLANT CAP FUND (512)</b>			<b>\$0</b>	<b>\$0</b>
<b>SJ-SC TRMNT PLANT OPER FUND (513)</b>				
<b>Deferred Maintenance and Repairs</b>	Environmental Services		\$1,000,000	
Increases the Environmental Services Department Non-Personal/Equipment appropriation (\$1.0 million) to provide funding for deferred maintenance projects at the San José-Santa Clara Treatment Plant. The projects include heat-loop pipe joint repairs, replacement of meter pipe and valves, nitrification hot water heat exchangers, nitrification sump wells, east primary scum section pumps, and procurements of servers, chlorine analyzers, and mechanical blower vane actuators.				
<b>Ending Fund Balance Adjustment</b>	Environmental Services		(\$1,000,000)	
Decreases the Ending Fund Balance to offset the action recommended in this report.				
<b>TOTAL SJ-SC TRMNT PLANT OPER FUND (513)</b>			<b>\$0</b>	<b>\$0</b>
<b>STORES FUND (551)</b>				
<b>Ending Fund Balance Adjustment</b>	Finance		(\$82,150)	
Decreases the Ending Fund Balance to offset the action recommended below.				
<b>Transfer to the General Fund</b>	Finance		\$82,150	
Increases the Transfer to the General Fund by \$82,150, which reflects the remaining fund balance in the Stores Fund after the reconciliation of activity through the end of 2011-2012. Central Warehouse items still remain in inventory, therefore, a final transfer to the General Fund is anticipated after the sale of this remaining inventory to complete the close out of the Stores Fund.				
<b>TOTAL STORES FUND (551)</b>			<b>\$0</b>	<b>\$0</b>

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>STORM SEWER OPERATING FD (446)</b>				
<b>Ending Fund Balance Adjustment</b>	Public Works		(\$12,000)	
Decreases the Ending Fund Balance to offset the action recommended in this report.				
<b>Non-Personal/Equipment (PWCAP Rate Increase)</b>	Public Works		\$12,000	
Increases the ESD Non-Personal/Equipment appropriation by \$12,000 to align with the Public Works Program Support rate of 6.38%. Inadvertently, as part of the development of the 2012-2013 Adopted Budget, a slightly lower rate was applied in this fund.				
<b>TOTAL STORM SEWER OPERATING FD (446)</b>			<b>\$0</b>	<b>\$0</b>
<b>SUBDIVISION PARK TRUST FUND (375)</b>				
<b>Reserve: North San José Land Acquisition</b>	Parks & Comm Fac Dev Capital Program		\$845,000	
Establishes the North San José Land Acquisition appropriation for \$845,000. This funding represents a payment from Pacific Gas and Electric (PG&E) for an expanded easement on the City-owned Baypointe Parkway, which was transferred to the City in lieu of a parkland fee. This action recommends allocating the revenue from PG&E for the future acquisition of land in North San José.				
<b>Transfer from Council District 4 Construction and Conveyance Tax Fund</b>	Parks & Comm Fac Dev Capital Program			\$845,000
Establishes a transfer from the Council District 4 Construction and Conveyance Tax Fund for \$845,000. In June 2012, the City Council approved a gas line easement modification with Pacific Gas and Electric (PG&E) expanding the existing easement on Baypointe Parkway. In 2011-2012, the funds were inadvertently deposited in the Council District 4 Construction and Conveyance Tax Fund versus the Subdivision Park Trust Fund. Baypointe Parkway was originally transferred to the City in lieu of a parkland fee, therefore, revenue associated with this easement is required to be deposited in the Subdivision Park Trust Fund for future land acquisition in the North San José area. A corresponding recommendation to decrease the funding in the Council District 4 Construction and Conveyance Tax Fund is recommended elsewhere in this report.				
<b>TOTAL SUBDIVISION PARK TRUST FUND (375)</b>			<b>\$845,000</b>	<b>\$845,000</b>
<b>SUPPL LAW ENF SVCES FUND (414)</b>				
<b>Ending Fund Balance Adjustment</b>	Police		(\$2,263)	
Decreases the Ending Fund Balance to offset the actions recommended in this report.				
<b>SLES Grant 2009-2011</b>	Police		\$2,123	
Increases the SLES Grant 2009-2011 appropriation to reflect interest earnings, which were previously unallocated, in order to spend the unused balance on officer safety equipment in accordance with the spending plan that was revised and approved by the City Council on February 1, 2011.				

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>SUPPL LAW ENF SVCES FUND (414)</b>				
<b><i>SLES Grant 2011-2013/Earned Revenue</i></b>	Police		\$742,061	\$741,921
Recognizes and appropriates two additional payments from the State of California for the SLES Grant 2011-2013 (\$689,112 and \$52,809) as well as appropriates interest income earned on the funding for the 2011-2013 grant cycle (\$140). Funding will be used in accordance with to the spending plan that was approved by the City Council on January 24, 2012. The spending plan allocates funding for hardware, software, technology upgrades, officer safety equipment, and enhancements in investigative abilities.				
<b>TOTAL SUPPL LAW ENF SVCES FUND (414)</b>			<b>\$741,921</b>	<b>\$741,921</b>
<b>TRANSIENT OCCUPANCY TX FD (461)</b>				
<b><i>Convention and Visitor's Bureau</i></b>	Convention Facilities Dept		\$449,046	
Increases the allocation for the Convention and Visitor's Bureau by \$449,046 in accordance with the distribution formula outlined in the San José Municipal Code. This increase is due to two factors: higher than anticipated 2011-2012 TOT receipts (\$304,983), and a recommended increase to the 2012-2013 TOT revenue estimate (\$144,063), which results in increased allocations to each of the three recipient organizations. It should be noted that the allocation for the CVB in the Convention and Cultural Affairs Fund is recommended to be reduced by \$449,000 as part of this report to fund FF&E needs at the Convention Center. Overall funding for the CVB will be unchanged from the 2012-2013 Adopted Budget level due to the combined effect of this action and the recommended reduction in the Convention and Cultural Affairs Fund.				
<b><i>Ending Fund Balance</i></b>	Convention Facilities Dept		(\$1,219,930)	
Decreases the Ending Fund Balance to offset actions recommended in this report				
<b><i>Transfer to the Convention and Cultural Affairs Fund</i></b>	Convention Facilities Dept		\$898,092	
Increases the transfer to the Convention and Cultural Affairs Fund in accordance with the distribution formula outlined in the San José Municipal Code. This increase is due to two factors: higher than anticipated 2011-2012 TOT receipts (\$609,965) and a recommended increase to the 2012-2013 TOT revenue estimate (\$288,127), which results in increased allocations to each of the three recipient organizations.				
<b><i>Transient Occupancy Tax Collections</i></b>	Convention Facilities Dept			\$576,254
Increases the budgeted estimate for 2012-2013 Transient Occupancy Tax receipts. The 2012-2013 Adopted Budget assumed growth of 5% from 2011-2012 estimated collections. As a result of higher than anticipated 2011-2012 collections, the 2012-2013 Adopted Budget estimate allows for an increase of only 0.6%. With no indications of reduced activity, this action increases the budgeted estimate to once again allow for growth of 5% from 2011-2012.				

# Special/Capital Funds Recommended Budget Adjustments Summary

## Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>TRANSIENT OCCUPANCY TX FD (461)</b>				
<b><i>Cultural Grants</i></b>	Economic Development		\$449,046	
Increases the allocation for Cultural Grants by \$449,046 in accordance with the distribution formula outlined in the San José Municipal Code. This increase is due to two factors: higher than anticipated 2011-2012 TOT receipts (\$304,983) and a recommended increase to the 2012-2013 TOT revenue estimate (\$144,063), which results in increased allocations to each of the three recipient organizations.				
<b>TOTAL TRANSIENT OCCUPANCY TX FD (461)</b>			<b>\$576,254</b>	<b>\$576,254</b>
<b>VEHICLE MAINT &amp; OPER FUND (552)</b>				
<b><i>Compensated Absences Liability</i></b>	Public Works		\$121,000	
Due to the implementation of GASB 54 as part of the 2011-2012 Comprehensive Annual Financial Report, the Vehicle Maintenance and Operations Fund had to be reclassified as an Internal Service Fund. For Internal Service Funds, the long-term liability of compensated absences is required to be fully funded; however, the 2011-2012 unrestricted fund balance of \$573,000 is insufficient to fully fund the \$484,000 in compensated absences liability for this fund and leave a sufficient fund balance in 2012-2013 to cover unanticipated funding needs. It is recommended to fully fund the liability over a four year period. With \$121,000 expended for compensated absences liability in 2011-2012, this action will allocate an additional \$121,000 to fund this liability for 2012-2013 from the fund's unrestricted fund balance. The remaining \$242,000 of compensated absences liability will be programmed into the next two budget cycles.				
<b><i>Diesel Retrofit Mandate</i></b>	Public Works		\$1,200	
Increases the Diesel Retrofit Mandate appropriation to account for an incorrect sales tax rate that was applied to a purchase order. The purchase was shipped from San Leandro which has a higher sales tax rate of 9% compared to the 8.25% rate charged within San José.				
<b><i>Ending Fund Balance Adjustment</i></b>	Public Works		(\$122,200)	
Reduces the Ending Fund Balance to offset the actions recommended in this report.				
<b>TOTAL VEHICLE MAINT &amp; OPER FUND (552)</b>			<b>\$0</b>	<b>\$0</b>
<b>WATER UTILITY CAPITAL FUND (500)</b>				
<b><i>Ending Fund Balance Adjustment</i></b>	Water Utility Sys Capital Program		(\$163,000)	
Decreases the Ending Fund Balance to offset the action recommended in this report.				
<b><i>Infrastructure Improvements</i></b>	Water Utility Sys Capital Program		\$163,000	
Increases the Infrastructure Improvements appropriation for the Coyote Well 22 Rehabilitation and Edenvale Well 13 Rehabilitation projects. Both projects began early June 2012 and equipment lead times and scheduling have extended the projects until October 2012.				
<b>TOTAL WATER UTILITY CAPITAL FUND (500)</b>			<b>\$0</b>	<b>\$0</b>

## Special/Capital Funds Recommended Budget Adjustments Summary Annual Report 2011-2012

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<b>WORKFORCE INVSTMNT ACT FD (290)</b>				
<b><i>Adult Workers Program/Earned Revenue</i></b>	Economic Development		(\$465,692)	(\$465,692)
Decreases the Adult Workers Program appropriation to align with revised allotments issued by the U.S. Department of Labor and to set aside 15% of its allocation for future program needs. A corresponding decrease to the grant funding from the State of California is recommended to offset this action.				
<b><i>Dislocated Workers Program/Earned Revenue</i></b>	Economic Development		(\$568,030)	(\$568,030)
Decreases the Dislocated Workers Program appropriation to align with revised allotments issued by the U.S. Department of Labor and to set aside 15% of its allocation for future program needs. A corresponding decrease to grant funding from the State of California is recommended to offset this action.				
<b><i>National Emergency Grant Dislocated Workers – NUMMI/Earned Revenue</i></b>	Economic Development		\$449,109	\$449,109
Increases the National Emergency Grant Dislocated Workers appropriation and recognizes the corresponding grant funding from the State of California to provide additional services to NUMMI dislocated workers and displaced suppliers.				
<b><i>Rapid Response Grant/Earned Revenue</i></b>	Economic Development		\$226,017	\$226,017
Increases the Rapid Response Grant appropriation and recognizes additional grant funding from the State of California to match employees with potential employers before a massive layoff occurs.				
<b><i>Reserve for Program Allocation/Earned Revenue</i></b>	Economic Development		\$459,524	\$459,524
Increases the Reserve for Program Allocation and recognizes the corresponding grant funding from the State of California for the Adult Workers, Dislocated Workers, and Youth Workers Programs. The increased funding will align with revised allotments issued by the U.S. Department Labor and will be set aside for future program needs.				
<b><i>Youth Workers Program/Earned Revenue</i></b>	Economic Development		(\$497,697)	(\$497,697)
Decreases the Youth Workers Program appropriation to align with revised allotments issued by the U.S. Department of Labor and to set aside 15% of its allocation for future program needs. A corresponding decrease to the grant funding from the State of California is recommended to offset this action.				
<b>TOTAL WORKFORCE INVSTMNT ACT FD (290)</b>			<b>(\$396,769)</b>	<b>(\$396,769)</b>