

2020-2021 ANNUAL REPORT



**PREPARED BY THE OFFICE OF THE CITY MANAGER
SEPTEMBER 2021**



2020-2021 ANNUAL REPORT

The Annual Report is established by the City Charter as the City Manager's vehicle for summarizing and analyzing the financial performance of the City for the preceding fiscal year. The mandated elements of the report include the following:

- A description of revenues received and expenditures incurred in the prior fiscal year, and an explanation concerning material differences between these amounts and the amounts budgeted.
- The amount of the financial reserves of the City.
- All other information that, in the opinion of the City Manager, is necessary to provide an accurate and complete picture of the fiscal status and condition of the City.

The financial information used in this report represents final, unaudited 2020-2021 year-end closing figures as of June 30, 2021.

TABLE OF CONTENTS

Transmittal Memorandum

DEFINITIONS	1
GLOSSARY OF TERMS	2
FUND DESCRIPTIONS	3
I. BUDGET PERFORMANCE SUMMARY	13
Comparison of Budget to Actual Revenues and Expenditures	15
Comparison of Estimated to Actual 2020-2021 Ending Fund Balance	17
Summary of 2020-2021 Reserves by Fund	19
II. GENERAL FUND BUDGET PERFORMANCE	21
General Fund Year-End Performance	22
General Fund Revenue Performance	25
General Fund Expenditure Performance	45
III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS	63
Airport Operating Fund - Airport Customer Facility And	66
Transportation Fee Fund	66
Airport Operating Funds - Airport Revenue Fund And Airport Maintenance And Operation Fund	67
Building And Structure Construction Tax Fund	69
Construction And Conveyance Tax Funds	71
Construction Excise Tax Fund	73
Development Fee Program Funds	75
General Purpose Parking Fund	77
Integrated Waste Management Fund	79
San Jose Clean Energy Operating Fund	81
San José-Santa Clara Treatment Plant Capital Fund	83
San Jose-Santa Clara Treatment Plant Operating Funds	85
Sanitary Sewer Capital Funds	87
Transient Occupancy Tax Fund	89
Water Utility Capital Funds	91
Water Utility Operating Fund	93

TABLE OF CONTENTS

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS95
General Fund Budget Adjustments	98
Special Funds Budget Adjustments	126
Capital Funds Budget Adjustments	163
General Fund Clean-Up Rebudget Actions	172
Special Funds Clean-Up Rebudget Actions	195
Capital Funds Clean-Up Rebudget Actions	243
V. FINANCIAL STATEMENTS	309

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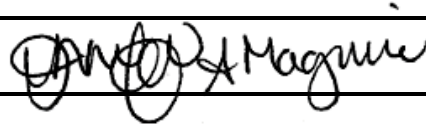
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim Shannon

SUBJECT: 2020-2021 ANNUAL REPORT

DATE: September 30, 2021

Approved



Date

9/30/2021

RECOMMENDATION

It is recommended that the City Council:

- (a) Accept the 2020-2021 City Manager's Annual Report in compliance with City Charter Section 701 (F).
- (b) Adopt Appropriation Ordinance and Funding Sources Resolution amendments in various operating and capital funds to implement the 2020-2021 Annual Report recommendations, as detailed in Section IV (Recommended Budget Adjustments and Clean-Up/Rebudget Actions).

OUTCOME

In accordance with Section 701 (F) of the San José City Charter, the 2020-2021 Annual Report describes the financial status of the City at the end of the 2020-2021 fiscal year. As specified in the City Charter, the focus of the City Manager's Annual Report is a comparison of actual revenue collections and expenditures to projections and appropriations included in the City's budget.

The 2020-2021 Annual Report will provide the City Council with the information necessary to review the financial performance of all City funds. In addition, this report provides a comparison of the actual 2020-2021 Ending Fund Balance for each fund to the estimates used in the development of the 2021-2022 Adopted Budget as well as information on the status of the year-end reserve levels for each of the City's budgeted funds.

Approval of the recommended budget actions will implement required fund balance reconciliations and necessary rebudget and clean-up adjustments based on the final financial performance (unaudited) for 2020-2021. This report also includes actions that are necessary to: revise the 2021-2022 budget to align budgeted revenue and expenditures with the most current information; correct technical problems; recognize new or adjust existing grant, reimbursement, or fee activity revenues and expenditures; fund two urgent fiscal program needs in the General Fund; reflect changes in project and program allocations based on revised cost estimates; and establish a limited number of new projects and programs in special and capital funds.

EXECUTIVE SUMMARY

The Administration proactively managed 135 budgeted funds in 2020-2021. Budget actions were brought forward during the year to help ensure that revenues and expenditures remained in alignment with actual performance. Through this careful management, the various City funds generally ended the year with revenues close to the budgeted estimates and expenditures below the budgeted allocations.

The City Council approved the 2020-2021 Adopted Budget under the extraordinary circumstances of the early stages of the COVID-19 pandemic: limited historical precedent to understand the extent to which the pandemic would negatively impact the City’s budget, a significant infusion of external funding to address the pandemic’s impacts to the community – primarily from the Coronavirus Aid, Relief, and Economic Security Act – and an urgency that the City needed to quickly act to help our most vulnerable populations. The budget included actions to both address the anticipated negative revenue impacts to the General Fund and other City funds, such as the Transient Occupancy Tax Fund, General Purpose Parking Fund, and Airport funds, and allocate emergency response resources toward areas of homelessness sheltering and support, local assistance, food and necessities distribution, and direct staff support.

The 2020-2021 Adopted Budget was modified several times throughout the year as the City responded to new information regarding economic performance and persistence of COVID-19 cases. In the General Fund, actions were taken over the course of the year to decrease revenue estimates from business taxes, parking operations and citations, hotel activity, and parks and recreation-related fees. Significant revenue estimate increases included Sales Tax, Property Tax, and Real Property Transfer Tax (Measure E). As a result of these adjustments, as well as careful forecasting, monitoring, and management throughout all City funds, overall 2020-2021 revenues and expenditures ended the year very close to budgeted expectations. However, the fourth quarter of 2020-2021 saw an extremely strong surge of revenue growth in the General Fund, which contributed to a higher than anticipated level of year-end fund balance. The 2020-2021 General Fund Ending Fund Balance of \$369.2 million exceeded the estimate of \$321.2 million used in the development of the 2021-2022 Adopted Budget by \$48.0 million. This variance represents 2.7% of the 2020-2021 Modified Budget. These funds are recommended to be allocated in the 2020-2021 Annual Report, as shown in the table below.

EXECUTIVE SUMMARY

Recommended 2021-2022 General Fund Adjustments (\$000s)

Additional 2020-2021 Ending Fund Balance	\$47,992
Clean-Up Actions	\$13,621
<hr/>	
Fund Balance Available After Clean-up Actions	\$61,613
Recommended Budget Adjustments	
Required Technical/Rebalancing Actions	(\$19,036)
Grants/Reimbursements/Fee Activities (Sources = \$4.4M; Uses = \$4.6M)	(\$190)
Urgent Fiscal/Program Needs	(\$1,150)
Total Recommended Budget Adjustments	(\$20,376)
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Remaining Fund Balance After Clean-ups/Recommended Adjustments	\$41,237
Distribution of Remaining Fund Balance Per City Council Policy I-18	
2022-2023 Future Deficit Reserve	(\$28,300)
Budget Stabilization Reserve	(\$12,937)
Total Fund Balance Distributed Per Council Policy I-18	(\$41,237)

When bringing forward recommendations for the use of the additional 2020-2021 General Fund Ending Fund Balance, the Administration follows City Council Policy 1-18 and first considers clean-up actions associated with the close-out of the 2020-2021 fiscal year to be essentially non-discretionary and the highest priority. These clean-up actions result in a net increase to the available fund balance of \$13.6 million and consist of: 1) the rebudgeting of anticipated revenue from the commercial paper program to provide temporary encumbrance capacity to the Fire Training Center and Emergency Operations Center construction project in anticipation of the issuance of Measure T and Lease Revenue Bonds in 2021-2022 (increase of \$23.4 million); 2) the rebudgeting of prior year funding to 2021-2022 to complete various projects (decrease of \$7.7 million); 3) and technical adjustments to other revenues and expenditures (decrease of \$2.1 million).

The revised fund balance of \$61.6 million is recommended to fund various required technical and rebalancing actions (\$19.0 million), actions associated with grant and fee activities (net-zero expenditure adjustments of \$190,000), and two urgent fiscal and programmatic needs (\$1.2 million). Notable adjustments in these categories include: establishing a \$10.0 million reserve to offset pandemic related expenses that the Federal Emergency Management Agency (FEMA) may not deem to be reimbursable; providing a City match of \$2.5 million to the Berryessa Flea Market Vendor Business Transition Reserve; allocating a total of \$1.4 million to re-establish the Parks, Recreation and Neighborhood Services Department's Pest and Turf Management Team through June 30, 2023; a reallocation of \$1.0 million from the Measure E – 35% Low Income Reserve to support the Quetzal Garden affordable housing project; establishing a City Facilities Security Improvements City-Wide Expenses appropriation to provide funding of \$750,000 for security

EXECUTIVE SUMMARY

enhancements at a variety of City facilities, including City Hall; increasing the Contingency Reserve by \$500,000 (from \$40.0 million to \$40.5 million) to ensure that the reserve totals 3% of General Fund operating expenditures per City Council Policy 1-18; the repurposing of \$500,000 of 2020-2021 savings within the San José BEST and Safe Summer Initiative appropriation to support enhanced accountability and oversight improvements for the program through June 30, 2023; and establishing a city-wide Customer Service Vision and Standards project as a focus area of the new City Manager (\$400,000).

After these adjustments, the remaining fund balance of \$41.2 million is recommended to be distributed in accordance with City Council Policy 1-18. These funds are recommended to fully fund the 2022-2023 General Fund shortfall as reflected in the 2021-2022 Adopted Operating Budget (\$28.3 million), and increase the Budget Stabilization Reserve (\$12.9 million) from \$33.6 million to \$46.5 million, which increases the level of General Purpose Reserves from 6.6% to 7.6% of General Fund operating expenditures, bringing the level closer to the policy target of 10.0%.

While fourth quarter economic performance indicates that revenue growth may be outpacing previous expectations, the Administration does not have the ability to update the shortfall figure until it completes a revised analysis of expected economic conditions and anticipated base budget expenditure costs, which will begin in October and be completed with the issuance of a new Five-Year Forecast at the end of February 2023. Should the City's budgetary position continue to improve, all or a portion of this reserve will be recommended for liquidation as part of the 2022-2023 Proposed Budget process for high-priority one-time uses. It is important to note that fully funding the \$28.3 million 2022-2023 Future Deficit Reserve has the practical implication of freeing up resources in the American Rescue Plan (ARP) Fund. As described in Manager's Budget Addendum #16, Community and Economic Recovery Budget, \$28.3 million of resources within the ARP Fund were contemplated to be set aside to help address potential future budgetary shortfalls. Fully funding the future deficit reserve and increasing the Budget Stabilization Reserve restores the responsibility for addressing future potential budgetary shortfalls within the General Fund, and simultaneously provides additional capacity to allocate more ARP resources to directly aid in the community's recovery, which the City Council will consider in November 2021.

This report also addresses immediate needs and circumstances in various special and capital funds, including the recognition of a separate stream of revenue from the American Rescue Plan Act in the Airport Revenue Fund for rent relief to Airport concessionaires and to assist with eligible Airport operating costs; recognition of commercial paper financing proceeds in the San José Clean Energy Fund to ensure sufficient cash flow through the fiscal year as previously authorized by the City Council; allocating greater than anticipated year-end Construction and Conveyance (C&C) Tax Proceeds into the C&C City-Wide Fund Infrastructure Backlog Reserve to be spent in future years on deferred infrastructure rehabilitation; and, within the Traffic Capital Program, restoring funding to the Transportation Grants Reserve and the City's local spending on pavement maintenance due to higher than anticipated year-end receipts from the Building and Structure Construction Tax and Construction Excise Tax. All recommended budget actions are summarized

EXECUTIVE SUMMARY

later in this message and described in *Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.

As the fiscal year progresses, the Administration will continue to monitor and report on the City's budgetary performance through Bi-Monthly Financial Reports that are agendaized four times a year for review by the Public Safety, Finance, and Strategic Support (PSFSS) Committee, and the Mid-Year Budget Review that is heard by the full City Council in February. The financial results of 2020-2021 will also be factored into the development of the 2023-2027 General Fund Five-Year Forecast that will be released at the end of February 2022.

BACKGROUND

Each year the City issues the Annual Report at the end of September, three months after the close of the fiscal year, as required by the City Charter. Following is a description of the various sections of the Annual Report document.

- **Transmittal Memorandum** – This section provides an overall summary of the 2020-2021 Annual Report.
- **Section I: Budget Performance Summary (All Funds)** – This section provides a comparison of the 2020-2021 budget to actual revenues received and expenditures incurred by fund as well as an explanation of revenue and/or expenditure variances of 10% or greater to the budget. This section also provides a comparison of the year-end actual 2020-2021 Ending Fund Balance by fund to the 2020-2021 Ending Fund Balance/2021-2022 Beginning Fund Balance estimate used in the development of the 2021-2022 Adopted Budget. In addition, a listing of the Earmarked and Contingency Reserves that were available at the end of 2020-2021 by fund is included.
- **Section II: General Fund Budget Performance** – This section provides a summary of the General Fund budget performance in 2020-2021, including the following: Results of Operations in the General Fund, Revenue Performance, and Expenditure Performance.
- **Section III: Selected Special/Capital Funds Budget Performance** – This section provides financial information on the 2020-2021 year-end performance for selected special and capital funds that represent major City operations. It includes a discussion of variances between actual and budgeted revenues and expenditures as well as a comparison between the actual ending fund balance and the fund balance estimated for 2020-2021 in the development of the 2021-2022 Adopted Budget.

BACKGROUND

- **Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions** – This section provides a description of the recommended budget adjustments and clean-up actions for City Council consideration. The proposed actions fall into three categories: (1) adjustments to the 2021-2022 Beginning Fund Balance amounts in various funds, including the General Fund, based on the final reconciliation of 2020-2021; (2) upward and downward adjustments to previously rebudgeted sums to ensure the appropriate amount of unexpended funds are carried over to 2021-2022 to complete projects; and (3) actions based on more recent information that are necessary to revise the 2021-2022 budget to align budgeted revenue and expenditures with the most current information, correct technical problems, recognize new or adjust grant, reimbursement or fee activity revenues and expenditures, fund one-time urgent fiscal/program needs in the General Fund, and reflect changes in project and program allocations based on revised cost estimates as well as establish a limited number of new projects and programs in special and capital funds.
- **Section V: Financial Statements** – This section provides the financial results (unaudited), prepared by the Finance Department, for all budgeted fund groups for 2020-2021. It should be noted that audited financial results will be released later in the fall as part of the 2021 Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021. Final fund balance reconciliations to the Annual Comprehensive Financial Report will be conducted for all funds and, while few adjustments are typically necessary, any final adjustments will be brought forward for City Council consideration as part of the 2021-2022 Mid-Year Budget Review.

ANALYSIS

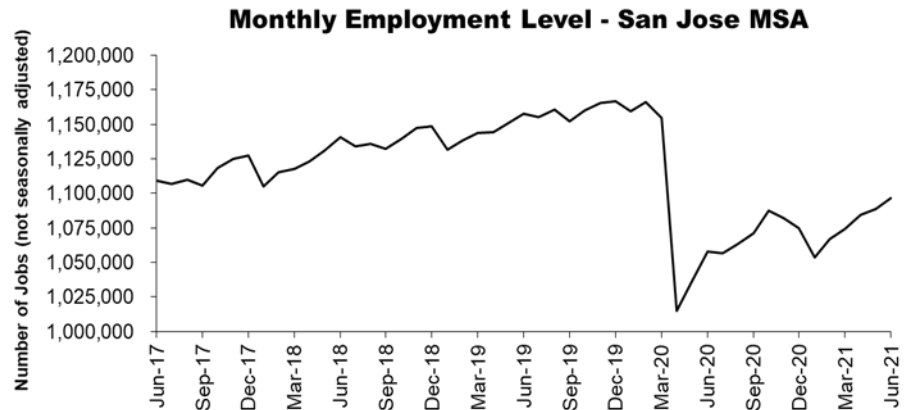
This Analysis section includes the following:

- an overview of the economic environment;
- a discussion of the 2020-2021 budget performance of all City funds;
- a discussion of the 2020-2021 budget performance for the General Fund;
- a discussion of the components of the 2020-2021 General Fund ending fund balance;
- an analysis of the impact of the General Fund performance on the 2021-2022 Adopted Budget; and
- a discussion of the 2020-2021 budget performance of selected special and capital funds.

ANALYSIS

Economic Environment

The City of San José had been experiencing strong economic growth coupled with low unemployment levels for over a decade. However, the shelter-in-place mandate issued at the onset of the pandemic had an immediate impact to daily economic activity that was felt throughout 2020-2021.



California's employment was significantly impacted when health orders in response to the pandemic severely curtailed halted economic activity. As can be seen from the chart above, after the immediate employment drop in April 2020, employment levels have progressively grown, with a smaller decline at the end of 2020 when the pandemic re-surfaced. Employment levels in spring and summer 2021 have continued to expand at a rapid pace, which is anticipated to continue until the end of the calendar year. Taner Osman, Research Manager at Beacon Economics and the UC Riverside Center for Forecasting, stated "Two major headwinds for the state's economy have been eased: the declining spread of COVID-19 cases and the re-opening of schools. This paves the way for strong job gains through the end of this year."¹

Prior to the COVID-19 pandemic, the unemployment rate for the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) had not exceeded 3.0% since August 2017. Further, between September 2017 and February 2020 the average local unemployment rate totaled 2.6%, which is considered full employment. However, as can be seen on the chart below, once the shelter-in-place mandate began, unemployment rates began to immediately rise, with the local rate hitting a high of 12.4% in April 2020.

¹ Beacon Economics, Beacon Employment Report, September 17, 2021

ANALYSIS

Economic Environment

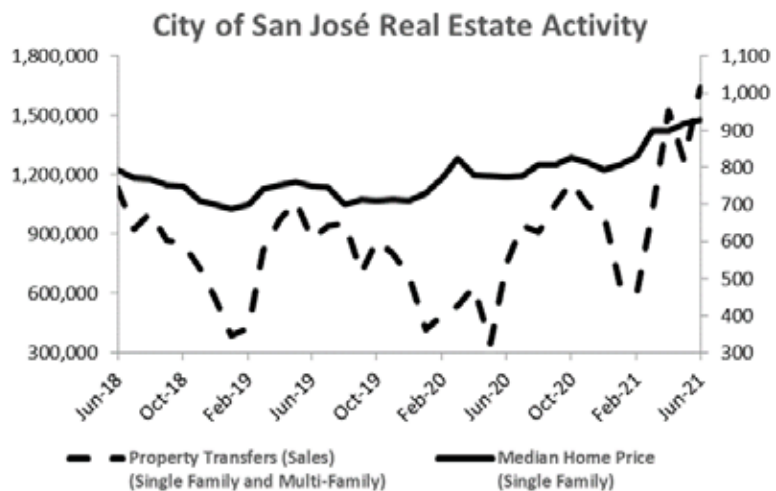
Unemployment Rate (Unadjusted)				
	Feb. 2020	April 2020	June 2020	June 2021**
San Jose Metropolitan Statistical Area*	2.6%	12.4%	10.4%	5.2%
State of California	4.3%	16.0%	14.1%	8.0%
United States	3.8%	14.4%	11.2%	6.1%
* San Benito and Santa Clara Counties Source: California Employment Development Department. ** June 2021 estimates are preliminary and may be updated.				

After topping over 12% near the beginning of the pandemic in April 2020, the local unemployment rate has significantly dropped. In June 2021, the local unemployment rate was 5.2%, which was drastically lower than the June 2020 rate of 10.4%. However, the unemployment rates remain significantly above the February 2020 pre-pandemic level of 2.6%. It is important to note though

that although local unemployment figures have risen since the shelter-in-place mandate began, the rates continue to be lower than the State and the national levels.

Construction permit valuation declined in 2020-2021 from 2019-2020 – which was a historically high year – primarily due to a drop off in industrial activity. The total valuation of projects submitted in 2020-2021 was \$1.9 billion, 23.8% below the \$2.5 billion valuation of projects that were received in 2019-2020. The number of new residential dwelling units permits issued in 2020-2021 totaled 1,975, which was 0.9% below the prior year level of 1,992 permits issued. Valuations for all the land use categories (residential, commercial, and industrial) ended the year slightly below the estimates.

Real estate activity was anticipated to be sluggish in 2020-2021 due to higher unemployment rates coupled with lower consumer confidence. According to data from the Santa Clara County Association of Realtors, the number of property transfers (sales) experienced year-over-year decreases (from the same time period in the prior year) ranging from -10% to -54% between the beginning of the shelter-in-place through June 2020. However, beginning in September 2020, the local real estate market once again began to experience year-over-year gains. Through June 2021 there were a total of 8,504 property transfers for all residences, which represents growth of approximately 41% from prior year levels. Median single family home prices grew sharply as well. As of June 2021, the median single family home price totaled \$1.48 million, which represents a 24.2% increase from the June 2020 price of \$1.19 million.



ANALYSIS

2020-2021 Budget Performance (All Funds)

As shown in Section I of this document, City revenues (excluding Beginning Fund Balances) totaled \$4.2 billion in 2020-2021, which was 8.0% (\$370.4 million) below the budgeted estimate of \$4.6 billion.

In 2020-2021, expenditures (excluding Reserves and Ending Fund Balances) totaled \$4.8 billion, which was \$1.1 billion (18.6%) below the modified budget of \$5.9 billion. At the end of 2020-2021, the Contingency and Earmarked Reserves for all City funds totaled \$830.0 million, which represented 11.9% of the total 2020-2021 Modified Budget of \$7.0 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled \$196.2 million.

The financial performance in 2020-2021 is used as the starting point for 2021-2022. The collective 2020-2021 Ending Fund Balances for all City funds totaled \$1.81 billion, which was \$44.0 million above the 2020-2021 Ending Fund Balance estimates of \$1.76 billion used in the development of the 2021-2022 Adopted Budget. After adjusting for a total net negative rebudget of \$128.8 million recommended in this report, the adjusted 2020-2021 Ending Fund Balance variance for all funds increases to \$172.8 million, or 2.5% of the 2020-2021 Modified Budget. The adjusted fund balance variance totaled \$61.6 million in the General Fund, \$32.5 million in the special funds, and \$78.7 million in the capital funds.

The City's General Fund ended the 2020-2021 fiscal year within budgeted levels. As shown in the chart below, the General Fund Ending Fund Balance of \$369.2 million was \$48.0 million (2.7% of the 2020-2021 Modified Budget) above the fund balance estimate assumed when the 2021-2022 Adopted Budget was developed. The following table summarizes the General Fund performance in 2020-2021, comparing the actual results to the modified budget and the estimates used to develop the 2021-2022 Adopted Budget.

ANALYSIS

2020-2021 General Fund Budget Performance

**Table 1
 General Fund Year-End Status
 For the Year Ended June 30, 2021
 (\$000s)**

Sources	2020-2021 Modified Budget	2020-2021 Year-end Estimate	2020-2021 Budgetary Basis Actual	Actual to Budget Variance	Actual to Estimate Variance
<i>Beginning Fund Balance</i>	400,284	400,284	400,284	-	-
<i>Carryover Encumbrances</i>	46,448	46,448	46,448	-	-
<i>Liquidation of Carry- over Encumbrances</i>	-	-	458	458	458
<i>Revenue</i>	1,342,856	1,344,213	1,355,444	12,588	11,231
Total Sources	1,789,588	1,790,945	1,802,634	13,046	11,689
Uses					
<i>Expenditures/Transfers</i>	1,593,354	1,469,757	1,433,454	(159,900)	(36,303)
<i>Reserves</i>	196,234	-	-	(196,234)	-
Total Uses	1,789,588	1,469,757	1,433,454	(356,134)	(36,303)
<i>Ending Fund Balance</i>	-	321,188	369,180	369,180	47,992

Note: In the chart above, the General Fund excludes the Emergency Reserve Fund and the Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2020-2021 Annual Comprehensive Financial Report, the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

In 2020-2021, total revenue in the General Fund was \$1.4 billion, which was within 0.9%, or \$12.6 million, of the 2020-2021 Modified Budget, and \$11.2 million (0.8%) above the estimate used to develop the 2021-2022 Adopted Budget. The liquidation of prior year carryover encumbrances totaled \$458,000.

General Fund expenditures/transfers of \$1.4 billion were \$159.9 million (8.9%) below the 2020-2021 Modified Budget level of \$1.6 billion and \$36.3 million (2.5%) below the estimate used to develop the 2021-2022 Adopted Budget. Budgeted reserves of \$196.2 million remained unexpended at year-end as expected.

ANALYSIS

2020-2021 General Fund Budget Performance

**Table 2
 General Fund
 Comparison of Year-End Actuals With Prior Year
 (\$000s)**

	2019-2020 Actuals	2020-2021 Actuals	Change	% Change
Source of Funds				
Beginning Fund Balance	364,813	400,284	35,471	9.7%
Revenues	1,204,729	1,355,444	150,715	12.5%
Total Source of Funds	1,569,542	1,755,728	186,186	11.9%
Use of Funds				
Personal Services	860,637	871,751	11,114	1.3%
Non-Personal/Equipment/Other	157,610	151,742	(5,868)	-3.7%
City-Wide Expenses	95,007	274,242	179,235	188.7%
Capital Contributions	53,593	54,893	1,300	2.4%
Transfers	48,967	80,826	31,859	65.1%
Reserves	-	-	-	N/A
Total Use of Funds	1,215,814	1,433,454	217,640	17.9%

As shown in Table 2, 2020-2021 General Fund revenues (excluding Beginning Fund Balance, which varies depending on the level of unspent funds carried into the following year) of \$1.4 billion represent an increase of 12.5% from the 2019-2020 collection level of \$1.2 billion. This year-over-year increase is primarily attributable to the City receiving Tax and Revenue Anticipation Notes (TRANs) in 2020-2021 (\$130.0 million) to facilitate the pre-payment of a portion of the City’s 2020-2021 retirement contributions; retirement pre-payment did not occur in 2019-2020. Additionally, the Real Property Transfer Tax did not begin until July 2020, therefore no revenue was received in 2019-2020, compared to the \$50.5 million collected in 2020-2021. Partially offsetting the higher revenues is a significant year-over-year decrease related to the Development Fee Program. Revenue totaling \$71.1 million was received in 2019-2020; however, revenue was not captured in the General Fund in 2020-2021 as these revenues (and associated expenditures) were moved out of the General Fund and into specific Development Fee Program funds. After adjusting for these significant variances, revenue in 2020-2021 increased approximately \$41.2 million (3.6%) from the prior year.

General Fund expenditures of \$1.4 billion in 2020-2021 were 17.9% (\$217.6 million) above prior year expenditure levels of \$1.2 billion. This increase is due to higher City-Wide Expenses (\$179.2 million, primarily driven by the repayment of TRANs), Transfers (\$31.9 million), Personal Services (\$11.1 million), and Capital Contributions (\$1.3 million), partially offset by lower Non-Personal/Equipment/Other (\$5.9 million).

A detailed discussion of the General Fund revenue and expenditure performance is provided in Section II of this document.

ANALYSIS

2020-2021 General Fund Ending Fund Balance

The current budgeting practice of the City is to use the projected level of fund balance expected to remain in the General Fund at the end of any fiscal year as a funding source for the following year. The Ending Fund Balance estimate always contains two components: the portion of the fund balance that is rebudgeted for completing projects or retaining reserves; and the portion which is undesignated and available as a general funding source in the coming year. In the 2021-2022 Adopted Budget, a total fund balance estimate of \$321.2 million was included as a funding source. As discussed earlier, the actual 2020-2021 General Fund Ending Fund Balance of \$369.2 million was \$48.0 million above this estimate.

The components of the 2020-2021 General Fund Ending Fund Balance include additional funding sources, expenditure/transfer savings, and unexpended reserves as described below:

**2020-2021 General Fund
 Ending Fund Balance Components**

Fund Balance Component	\$ Amount (\$ in 000s)
Additional Funding Sources	13,045
Expenditure/Transfer Savings	159,901
Unexpended Reserves	196,234
TOTAL	\$ 369,180

The total Sources of Funds ended the year \$13.0 million above the modified budget as a result of higher revenues (\$12.6 million) and liquidation of carryover encumbrances (\$458,000). For the Uses of Funds, expenditure and transfer savings totaled \$159.9 million, while unexpended reserves totaled \$196.2 million, representing the largest component of the 2020-2021 Ending Fund Balance. Of the \$159.9 million in expenditure savings, a majority was rebudgeted in the 2021-2022 Adopted Budget (\$122.9 million) with additional funding being recommended for rebudget as part of this report (\$10.5 million).

General Fund Reserves, totaling \$196.2 million at the end of 2020-2021, include three categories: Earmarked Reserves (\$137.9 million) established to address specific needs per City Council direction; Ending Fund Balance Reserve (\$18.4 million) established to help ensure sufficient fund balance would be available at the end of 2020-2021 to meet the budgeted estimate used for the development of the 2020-2021 Adopted Budget, and the Contingency Reserve (\$40.0 million) set at a minimum of 3% of expenditures per City Council policy.

ANALYSIS

2020-2021 General Fund Ending Fund Balance

As discussed above, it was assumed that \$321.2 million would remain in the General Fund at the end of 2020-2021 and would be carried over to 2021-2022 as Beginning Fund Balance as part of the adoption of the 2020-2021 Budget. These funds, which were expected to be generated from unexpended reserves, unexpended funds that were rebudgeted to 2021-2022, additional revenue, expenditure savings, and the liquidation of carryover encumbrances, were programmed for use in the 2021-2022 Adopted Budget. The actual General Fund Ending Fund Balance was above the estimate used in the 2021-2022 Adopted Budget by \$48.0 million due to revenue and expenditure savings that were above June 30, 2021 levels. Additional adjustments, through clean-up actions, program reconciliations, and the rebudgeting of prior year funding, increase this balance by \$13.6 million, to \$61.6 million.

The following chart details the recommended uses of the \$48.0 million of additional fund balance, as well as other budget adjustments that are proposed as part of this report. Recommended rebudgets and clean-up actions increase the available fund balance by \$13.6 million, inclusive of \$23.4 million of rebudgeted revenue of commercial paper proceeds related to the Fire Training Center and Emergency Operations Center construction project. Once these adjustments have been accounted for, the net available fund balance available for allocation totals \$61.6 million. This additional fund balance is proposed to be allocated to address required technical/rebalancing needs of \$19.0 million, grants and reimbursements totaling \$190,000, urgent fiscal/program needs of \$1.2 million, with the remaining \$41.2 million placed in the 2022-2023 Future Deficit Reserve (\$28.3 million) and Budget Stabilization Reserve (\$12.9 million) in accordance with City Council Policy 1-18.

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

RECOMMENDED 2021-2022 GENERAL FUND ADJUSTMENTS (\$000s)

(\$ in 000s)

2020-2021 Additional Fund Balance		\$47,992
• Rebudgets/Clean-Up Actions		\$13,621
Revenue Rebudgets/Clean-Ups	\$25,825	
City-Wide Expenses/Transfers/Reserves	(\$9,427)	
Departmental	(\$1,147)	
General Fund Capital	(\$1,630)	
Fund Balance Available After Clean-Up Actions		\$61,613
• Recommended Budget Adjustments		(\$20,376)
Required Technical/Rebalancing Actions		
FEMA Non-Reimbursable Expenses Reserve	(\$10,000)	
Berryessa Flea Market Vendor Business Transition Fund Reserve	(\$2,500)	
Parks, Recreation and Neighborhood Services (Pest and Turf Management Team)	(\$1,425)	
Measure E – Quetzal Garden	(\$1,000)	
Contingency Reserve	(\$500)	
Emergency Fire Equipment Reserve	(\$500)	
San Jose BEST Accountability and Oversight	(\$500)	
Diridon Station Area Development Planning	(\$450)	
Code Enforcement Permit System Reserve (Multiple Housing Program)	(\$400)	
Coyote Creek Patrol	(\$400)	
Solid Waste Code Enforcement Program Reserve	(\$400)	
Police Department Personal Services (Public Records Act Temporary Staffing)	(\$350)	
Insurance Premiums	(\$300)	
4 th of July Celebration	(\$250)	
Artificial Turf Capital Replacement Reserve	(\$200)	
City Attorney’s Office Outside Litigation Reserve	(\$190)	
Transfers and Reimbursements (CDDD Revenue)	(\$150)	
Fire Department Non-Personal/Equipment (Computer Aided Dispatch System)	(\$130)	
Police Department Non-Personal/Equipment (Recruiting/Marketing)	(\$125)	
Transfer to the Integrated Waste Management Fund (RAPID Equipment Reimb.)	(\$102)	
City Attorney’s Office Personal Services (Public Safety Initiatives)	(\$100)	
Measure E – 35% Low Income Reserve	\$1,000	
Transfers and Reimbursements (Transfer from Self-Insured Medical Fund)	\$447	
Remaining Adjustments	(\$512)	
Subtotal Required Technical/Rebalancing Actions	(\$19,036)	
Grants/Reimbursements (Sources = \$4.4M; Uses = \$4.6M)		(\$190)
Urgent Fiscal/Program Needs		
City Facilities Security Improvements	(\$750)	
Customer Service Vision and Standards	(\$400)	
Subtotal Urgent Fiscal/Program Needs	(\$1,150)	
Remaining Fund Balance Available After Clean-ups/Recommended Adjustments		\$41,237

Distribution of Remaining Fund Balance in Accordance with City Council Policy 1-18	
2022-2023 Future Deficit Reserve	(\$28,300)
Budget Stabilization Reserve	(\$12,937)
Subtotal Distribution per Policy 1-18	(\$41,237)

Remaining Fund Balance Available After All Recommended Actions..... \$0

A summary of the significant adjustments by category is included below. More detail is provided in *Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.

Clean-Up Actions (\$13.6 million)

- **Rebudgets/Clean-Up Adjustments (net \$13.6 million)** – A series of adjustments are recommended to complete existing projects in 2021-2022 and to reflect any necessary technical budget adjustments or reconciliation actions. The Annual Report is the point in the budget process where action is required to rebudget unexpended funds from the prior year that were not anticipated when the Adopted Budget was approved, but are required to complete a project in the current year. The largest rebudget actions are for the following appropriations: Other Revenue (Commercial Paper) (+\$23.4 million); Local Assistance (-\$2.1 million), Fire Training Center Relocation (-\$1.8 million), Government Access – Capital Expenditures (-\$1.5 million), and BeautifySJ – Illegal Dumping (-\$1.0 million). Also recommended are actions that reduce previous rebudgets to reflect instances where expenditures for which rebudgets were approved for incorporation into the Adopted Budget exceeded estimates for 2020-2021; therefore, the funds are not available for rebudget to 2021-2022. Other technical adjustments include net-zero shifts between departments and appropriations, as well as the reconciliation of restricted funding for multiple programs (e.g. Measure E reserves, Tree Mitigation, Licenses and Permits (Cardroom Fee), Certified Access Specialist Program, Contractual Street Tree Planting, and Government Access activities).

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

A number of General Fund budget adjustments, with a total net cost of \$20.4 million are recommended and can be classified under three categories: 1) Required Technical/Rebalancing Actions (net cost of \$19.0 million) that align already approved revenue estimates and expenditure budgets with the most current tracking information, reallocate funding among appropriations based on updated needs, correct technical problems in the 2021-2022 Adopted Budget, or comply with actions previously authorized by the City Council; 2) Grants/Reimbursement/Fee Activities (net cost of \$0.2 million) actions that recognize new or adjust grants, reimbursements, or fee activity revenues, and adjust the appropriations for these purposes as necessary; and 3) Urgent Fiscal/Program Needs (net cost of \$1.2 million) for emergent needs that the Administration has deemed should not wait until the annual budget process, but require authorization from City Council.

Notable actions under each category are outlined below.

Recommended Budget Adjustments (-\$20.4 million)

- **Required Technical/Rebalancing Actions (-\$19.0 million)**
 - ***FEMA Non-Reimbursable Expenses Reserve*** – establishes a FEMA Non-Reimbursable Expenses Reserve in the amount of \$10.0 million to set aside funding in the event that expenses incurred by the City in response to the COVID-19 pandemic, for which the City is actively pursuing reimbursement through the Federal Emergency Management Agency (FEMA), are later determined as ineligible for reimbursement. The City estimates that total amount eligible for FEMA reimbursement from 2019-2020 through 2021-2022 is \$37.4 million. However, it is common for FEMA to disallow portions of an agency’s submitted expenditures due to documentation and contractual issues, and nuanced interpretations of eligibility requirements. At \$10.0 million, the reserve represents the Administration’s conservative estimate of the City’s pandemic response efforts that may be deemed non-reimbursable by FEMA. The Administration anticipates a determination from FEMA on reimbursement in the second half of 2021-2022. (-\$10.0 million)
 - ***Berryessa Flea Market Vendor Business Transition Fund Reserve*** – provides a City match of \$2.5 million to the Berryessa Flea Market Vendor Business Transition Fund Reserve in accordance with direction received from the City Council at the conclusion of their meeting on June 29, 2021 regarding the Berryessa BART Urban Village Plan and Flea Market Rezoning. Separate memoranda from Mayor Liccardo and Councilmember Carrasco directed the City Manager to leverage funding from the American Rescue Plan Fund, if eligible, to match the commitment from the Developer in their establishment of the Transition Fund. After review of U.S. Treasury regulations, direct use of the American Rescue Plan Fund is likely not eligible for this purpose. As an alternative to pursuing eligible taxes generated from the development, which would likely otherwise be received in the General Fund or within the Traffic Capital Program, the Administration recommends reserving the match now in anticipation of the future contribution from the developer. (-\$2.5 million)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

- ***PRNS Pest and Turf Management Team Reserve*** – as directed in the Mayor’s June Budget Message for Fiscal Year 2021-2022, as approved by the City Council, this report includes actions to re-purpose 2020-2021 General Fund savings to reestablish the Parks, Recreation and Neighborhood Services (PRNS) Pest and Turf Management Team on a one-time basis. This team works to maintain turf conditions through the removal of pests from parks and fields in safe, humane, and environmentally friendly manner. Separate actions fund the team in 2021-2022 (\$425,000), and reserve funding to continue the team through 2022-2023 (\$1.0 million). (-\$1.4 million)
- ***Measure E – Quetzal Garden*** – establishes the Measure E - Quetzal Garden appropriation to the Housing Department in the amount of \$1.0 million to support the completion of the Quetzal Garden affordable housing project. The City Council previously approved the commitment of providing \$10.0 million in soft debt loan financing for this project. This funding will close the financing gap and fully fund the project. The funding specifically supports creating the community serving ground floor facility that will create a new home for Somos Mayfair, Excite Credit Union, and a small business incubator sponsored by the Latino Business Association. A corresponding decrease to the Measure E - 35% Low Income Reserve appropriation offsets this action. (-\$1.0 million)
- ***Contingency Reserve*** – increases the Contingency Reserve by \$500,000, from \$40.0 million to \$40.5 million, in accordance with Council Policy 1-18 which provides for the maintenance of a minimum 3% Contingency Reserve in the General Fund to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. (-\$500,000)
- ***Emergency Fire Equipment Reserve*** – establishes the Emergency Fire Equipment Reserve in the amount of \$500,000 to set aside funding for emergency fire equipment replacement. Funding is anticipated to be needed in the current year to replace lifesaving medical equipment and radios that have reached the end of their useful life. Additionally, a reserve is being established in the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes Fund in the amount of \$1.4 million for the same purpose. As costs and needs arise for these items, the Administration will recommend allocating all or a portion of this reserve as part of a future budget process. (-\$500,000)
- ***San José BEST Accountability and Oversight*** – as directed by City Council’s approval of the Mayor's June Budget Message for Fiscal Year 2021-2022, this action reallocates year-end San José Bringing Everyone’s Strengths Together (BEST) appropriation savings of \$500,000 to fund San José BEST Accountability and Oversight program through June 30, 2023 by establishing a City-Wide Expenses appropriation of \$170,000 for 2021-2022 and setting aside \$330,000 in a reserve to be spent in 2022-2023. Over an eighteen-month period, these resources will be focused on improving San José BEST contract management and accountability and expand the program’s evaluation design to include individual outcome assessments. A Senior Analyst would manage the existing team’s data sharing, collection and analysis efforts related to data-sharing partnerships with

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

key stakeholder agencies; and lead the development, implementation, and management of 1) a content management system (CMS) system; and 2) further efforts to improve performance data collection tools. An Analyst would provide enhancements in day-to-day contract monitoring, grantee technical assistance, and accountability measures as well as assist with the grant application process, contract development and execution. The CMS will be used to collect and track activity and participant data that will be used to evaluate the San José BEST Grant Program’s performance in terms of “direct impacts” to the community in areas such as academic performance, truancy/graduation rates, and arrest/incarceration rates. An evaluation of these one-time accountability and oversight enhancements will help inform the level of ongoing support that may be considered during the 2023-2024 budget development process. (-\$500,000)

- ***Diridon Station Area Development Planning*** – increases the Diridon Station Area Development Planning appropriation in the amount of \$449,543, reallocating funding provided by Google in prior years and consolidating previously separate appropriations to continue work on the next phase of development review for the Downtown West project and related Diridon Station Area plans. In addition to processing conformance review applications for Downtown West, temporary staff will work on: Infrastructure/Amenities Analysis, Diridon Financing Plan, District-wide Parking Plan, Diridon Station Area Amendments, CEQA process, and ongoing public outreach, including language services. (-\$449,543)
- ***Code Enforcement Permit System Reserve (Multiple Housing Program)*** – increases the Code Enforcement Permit System Reserve by \$400,000, from \$1.9 million to \$2.3 million, to set aside unspent fee revenue related to the Multiple Housing Program from 2020-2021 for a future software upgrade of the City's Code Enforcement Permit System for the Multiple Housing Program. (\$-400,000)
- ***Coyote Creek Patrol*** – establishes the Coyote Creek Trail Patrol City-Wide Expenses appropriation to the Police Department in the amount of \$400,000. City Council’s approval of the Mayor’s March Budget Message for Fiscal Year 2021-2022 prioritized funding for enhanced maintenance and safety of the Guadalupe River Park as well as the Coyote Creek Trail. This allocation provides matching funding for a pending agreement with the Santa Clara Valley Water District (SCVWD), which aligns with previous agreements the City has had with SCVWD over the years to fund safety-related programs. The one-year agreement is still under development, though both parties are anticipated to allocate \$400,000 for a total of \$800,000, providing police officers to maintain a law enforcement presence on the Coyote Creek Trail from William Street to Tully Road for 10 hours a day, 7 days per week to address potential criminal activity within waterways. This section of the Coyote Creek Trail is new and will likely have high usage. It is anticipated that the agreement and the corresponding budget adjustments related to the SCVWD’s share will be brought forward for City Council approval as part of a future City Council agenda. (-\$400,000)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

- ***Solid Waste Code Enforcement Program Reserve*** – establishes the Solid Waste Code Enforcement Program Reserve in the amount of \$400,000. The Solid Waste Code Enforcement Program is a full cost recovery program funded through fees, and the program ended 2020-2021 with expenditure savings totaling \$400,000. This funding will be set aside for future use by the Solid Waste Code Enforcement Program. (-\$400,000)
- ***Police Department Personal Services (Public Records Act Temporary Staffing)*** – increases the Police Department's Personal Services appropriation by \$350,000 to fund eight rehired retirees to address the workload associated with amendments to the California Public Records Act (CPRA) and the volume of records requests. This action increases the amount of staff supporting public records requests to 33, including 10 full-time personnel and 23 staff working part-time. Though currently, the Department is only budgeted for 9 positions to support this activity. Even with recent technology improvements to assist with video redaction, the backlog of requests remains high. These temporary staff will provide capacity for the processing, redaction, and production of video requests for body worn camera footage, as well as the establishment of departmental procedures, coordination with the Office of the City Attorney, compliance with policies, and the collection of applicable fees. (-\$350,000)
- ***Insurance Premiums*** – increases the Insurance Premiums City-Wide Expenses appropriation to the Finance Department by \$300,000, from \$1.52 million to \$1.82 million, to support additional costs for the City's insurance coverage and annual renewals as recently approved by the City Council. These additional costs are a result of coverage updates and premium increases for the City's overall insurance program, which includes property/casualty and flood excess insurance products and law enforcement professional liability insurance, for annual policy periods starting October 1, 2021. (-\$300,000)
- ***4th of July Celebration*** – as directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by City Council, this action establishes the 4th of July Celebration City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$250,000 to support costs associated with a 4th of July pyrotechnic event at Discovery Meadow in July 2022. While the Administration may work with other groups to host the celebration, this allocation provides the estimated costs for a pyrotechnic contract, event production, marketing and communications, and City costs for traffic control, permits, and related City services. (-\$250,000)
- ***Artificial Turf Capital Replacement Reserve*** – increases the Artificial Turf Capital Replacement Reserve by \$200,000, from \$2.9 million to \$3.1 million, due to unused funds from the Smythe Sports Field Turf Replacement appropriation. Funding in this reserve will help fund future artificial turf replacements. (-\$200,000)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

- ***City Attorney's Office Outside Litigation Reserve*** – increases the City Attorney's Office Outside Litigation Reserve by \$190,000, from \$810,000 to \$1.0 million, to ensure there is sufficient funding to support costs incurred for contracted litigation services and outside counsel, as needed by the City Attorney's Office. This action restores the reserve back to the initial amount as a portion of the reserve was used in Fiscal Year 2020-2021. (-\$190,000)
- ***Transfers and Reimbursements (CDDD Revenue)*** – decreases the estimate for revenue from Transfers and Reimbursements by \$150,000 to account for the elimination of the transfer from the Integrated Waste Management (IWM) Fund for Construction and Demolition Diversion Deposit (CDDD) revenue. Typically, any forfeited deposits are transferred to the General Fund after ensuring that all applicable expenses in the IWM Fund are met. However, a reconciliation of actual revenues and expenses for 2020-2021 has determined that these funds are needed by the CDDD program to ensure cost recovery in the IWM Fund. There is a corresponding action to decrease the Transfer to the General Fund - CDDD Revenue in the IWM Fund. (-\$150,000)
- ***Fire Department Non-Personal/Equipment (Computer Aided Dispatch System)*** – increases the Non-Personal/Equipment appropriation for the Fire Department by \$130,000. The County of Santa Clara will be updating their Communication Computer Aided Dispatch (CAD) System in April 2022. Currently, the County of Santa Clara and the San José Fire Department have compatible CAD systems to communicate with each other during emergency dispatch. With this updated CAD system, the Fire Department will need to update their own system to communicate with other agencies within the County Service Area. (-\$130,000)
- ***Police Department Non-Personal/Equipment (Recruiting/Marketing)*** – increases the Police Department's Non-Personal/Equipment appropriation by \$125,000 to fund contractual services to support job fairs and recruiting events; conduct targeted radio, print, and social media marketing; and conduct outreach in publications, at community colleges, and at military agencies. A contract for similar services lapsed in April 2021; afterward, the Police Department saw a drop in qualified applicants for police recruit academies. This funding ensures sufficient funding is in place to provide a similar level of service for future academies. The Police Department has approximately 60 vacant positions as of August 27, 2021 (including 12 sworn positions) and will continue their aggressive efforts to hire for the June Police Recruit Academy (the October Academy is set and the February Academy has begun background investigations), 9-1-1 Emergency Communications Center civilian positions, and other civilian position vacancies in the Department. (-\$125,000)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

- ***Transfer to the Integrated Waste Management Fund (RAPID Equipment Reimbursement)*** – establishes a transfer from the General Fund in the amount of \$101,797 to reimburse the Integrated Waste Management (IWM) Fund for vehicles previously purchased for the Rapid Team, as adjusted for depreciation. The 2021-2022 Adopted Budget shifted the Rapid Team from the Environmental Services Department to the Parks Recreation and Neighborhood Services Department as part of the BeautifySJ management consolidation, including all non-personal/equipment funding for contractual services, supplies, and materials. This transfer from the General Fund appropriately compensates the IWM Fund for its previous investment in purchasing the vehicles. (-\$102,000)
- ***City Attorney's Office Personal Services (Public Safety Initiatives)*** – as directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by City Council, this action increases the Office of the City Attorney's Personal Services appropriation by \$100,000, allocated from the Office of the Mayor's budget, to support costs for an Associate City Attorney working on gun violence restraining orders and criminal litigation. A corresponding decrease to the Office of the Mayor's budget offsets this action. (-\$100,000)
- ***Transfers and Reimbursements (Transfer from Self-Insured Medical Fund)*** – increases the revenue estimate for Transfers and Reimbursements by \$446,842 to recognize a transfer to the General Fund from the Self-Insured Medical Fund. The Self-Insured Medical Fund had received transfers from the General Fund in prior years to ensure fund solvency. This amount reflects the remaining balance in the fund that can be returned to the General Fund. A final reconciliation of this fund and a transfer of any remaining fund balance will be included as part of the 2021-2022 Mid-Year Budget Review. (\$447,000)
- ***Remaining Adjustments*** – Remaining actions include technical corrections or reallocations, and other smaller adjustments. These include the reallocation of funds for Learning and Development activities between appropriations and the reallocation of staffing costs between funds to align with actual levels of support. Additional actions increase departmental Non-Personal/Equipment funding for various activities, including: gaming background services; replacement of equipment/tools used by Fire academies; Aircraft Rescue/Fire Fighting Services; Microsoft licensing; Police Training Center maintenance and operations; Energy and Water Building Performance consultant services; and equipment to support the Pest and Turf Management Team. (-\$512,000)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

- **Grants/Reimbursements/Fees (\$0.2 million)**
 - A series of adjustments - net revenues of \$4.4 million offset by net expenditures of \$4.6 million - are recommended to recognize new and updated revenues and expenditures for **Grants, Reimbursements, and/or Fees**, primarily for the following Departments: Office of Economic Development and Cultural Affairs (net-zero adjustments of \$1.9 million); Parks, Recreation and Neighborhood Services Department (increase of \$187,000, with \$670,000 revenue-supported expenditure adjustments); Police Department (net-zero adjustments of \$512,000); Community Energy (net zero adjustments of \$483,000); and, the Library Department (net-zero adjustments of \$469,000). These adjustments are further described in *Section IV. Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.

- **Urgent Fiscal/Program Needs (-\$1.2 million)**
 - **City Facilities Security Improvements** – establishes a City Facilities Security Improvements City-Wide Expenses appropriation in the Public Works Department in the amount of \$750,000. The safety of the public and employees is the highest priority for the City and this funding will allow the City to enhance security features and protocols in various facilities. These enhancements may include, but are not limited to, the installation and staffing of additional metal detectors at various entrances to City facilities, increased security patrols through a combination of sworn Police Officers and civilian Public Works Security Officers, and the installation of physical improvements such as security cameras and railings. As these improvements are implemented and evaluated over the course of the fiscal year, the Administration intends to bring forward a recommendation for ongoing funding as part of the 2022-2023 budget development process. (-\$750,000)

 - **Customer Service Vision and Standards** – establishes a Customer Service Vision and Standards City-Wide Expenses appropriation to the Office of the City Manager in the amount of \$400,000 for the Office of Civic Innovation, as a first step, to support the development of a city-wide customer service vision and standards project as a focus of the new City Manager. The Customer Service Vision and Standards project seeks to develop a set of standards that will serve as cornerstones of a multiyear transformation of the person-to-person customer service experience in the City of San José. The approach for this standard is to engage a consultant to conduct a discovery of the current customer service experience, challenges, and future opportunity areas. The current state of the customer service experience will be mapped by customer segments, personas, and journey maps, and a customer service vision and set of standards that represent the foundational building blocks of a transformation plan will then be formulated. The work will identify improvement opportunities and pilot initial ideas to deliver impact through testing and measuring early concepts. (-\$400,000)

ANALYSIS

Impacts on the 2021-2022 General Fund Budget

Recommended Distribution of Remaining Fund Balance per City Council Policy 1-18 (-\$41.2 million)

Per Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, after necessary appropriation adjustments to correct and update the current year budget, any remaining General Fund ending fund balance after the close of the fiscal year shall first be allocated to offset any projected deficit for the following fiscal year, with any excess allocated to: 1) the Budget Stabilization Reserve and/or Contingency Reserve; 2) Unmet/deferred infrastructure and maintenance needs; and, 3) Other one-time urgent funding needs. The Administration has identified two adjustments in accordance with this policy.

Two adjustments in accordance with this policy are outlined below.

2022-2023 Future Deficit Reserve – establishes the 2022-2023 Future Deficit Reserve in the amount of \$28.3 million. Of the \$38.3 million General Fund shortfall that was fully addressed in the 2021-2022 Adopted Operating Budget, only \$6.7 million was resolved on an ongoing basis. When combined with the \$35.0 million shortfall for 2022-2023 as estimated in the Five-Year Forecast released at the end of February 2021, the estimated General Fund shortfall for 2022-2023 stands at \$28.3 million. While fourth quarter performance indicates that revenue growth may be outpacing previous expectations, the Administration does not have the ability to update the shortfall figure until it completes a revised analysis of expected economic conditions and anticipated base budget expenditure costs, which will begin in October and complete with the issuance of a new Five-Year Forecast at the end of February 2022. (-\$28.3 million)

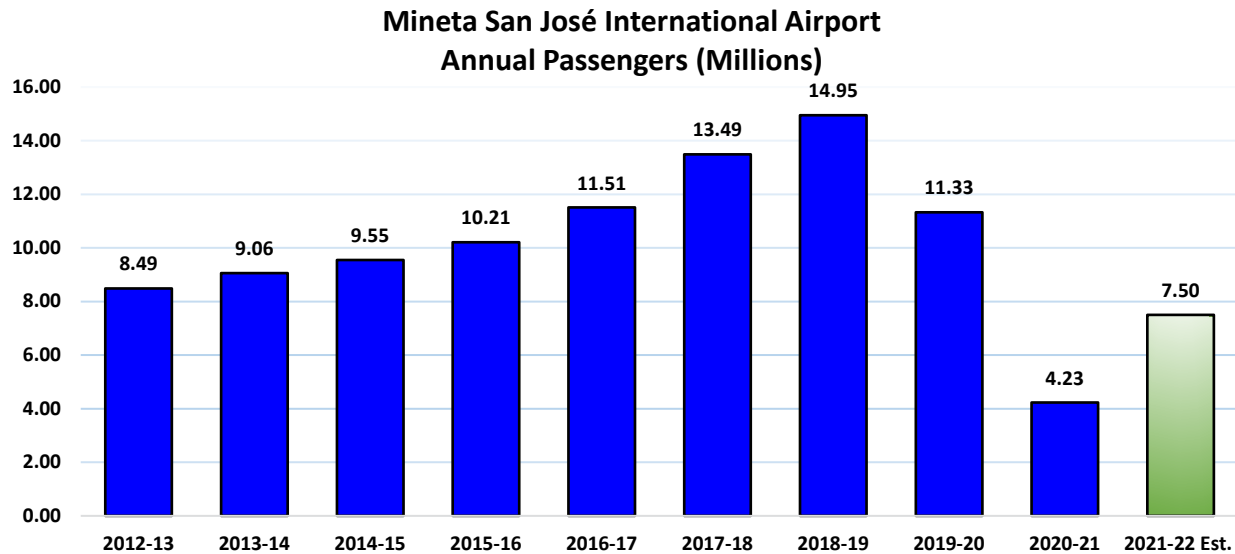
Budget Stabilization Reserve – increases the Budget Stabilization Reserve by \$12.9 million, from \$33.6 million to \$46.5 million, in accordance with City Council Policy 1-18 to maintain an adequate reserve level to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budgeted resources in any given year. The Budget Stabilization Reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This action, along with a separate action to increase the Contingency Reserve by \$500,000 to reach a level of \$40.5 million, and the existing budgeted funds for the Workers' Compensation/General Liability Catastrophic Reserve at \$15.0 million, brings the total General Purpose Reserve level to 7.6% of General Fund operating expenditures. The target set in City Council Policy 1-18 is 10%. (-\$12.9 million)

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Airport Operating Funds

The Airport served 4.23 million passengers in 2020-2021, which was an overall decrease of 62.7% from 2019-2020. The COVID-19 pandemic continued to cause significant disruptions to domestic and international air travel. Passenger levels showed steady improvement from January through June 2021. Passenger levels are anticipated to recover gradually over several years given the ongoing uncertainty surrounding the COVID-19 pandemic and resulting impact to the general economy. For 2021-2022, projections reflect an approximately 75% increase from 2020-2021 levels, or 7.5 million passengers.



All airport activity categories demonstrated declines as compared to last year, including traffic operations, landed weights, gallons of aviation fuel sold, and ground transportation trips.

Overall, revenue performance was below budget by \$6.2 million (3.3%). Airline Rates and Charges (combined total of landing fees and terminal rents) and all other operating categories, excluding transfers and grant funding, ended the year at \$132.3 million, which was \$6.7 million below the budget of \$139.0 million. The negative variance is distributed across Landing Fees, Airfield, Parking and Roadway, Terminal Building Concessions, and Terminal Rental revenues, slightly offset by Miscellaneous and Petroleum revenues that finished the year slightly above the budget. The Airport worked with tenants to implement rent deferrals and relief where possible to support the long-term relationships and minimize economic impacts to the companies and their staff due to the pandemic. The partnership is important to continuing operations and service levels as passenger levels continue to increase.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Airport Operating Funds

The Airport Customer Facility and Transportation Fee Fund had year-end expenditure savings of \$491,000 (2.2%) and Airport Maintenance and Operation Fund had a year-end expenditure savings of \$20.8 million (17.6%) compared to budgeted levels of \$118.3 million. The savings were primarily attributable to non-personal/equipment, the majority of which (\$19.2 million) resulted from reduced service levels and other expenditure reduction strategies implemented in response to the effects of COVID-19.

San José Clean Energy Fund

The San José Clean Energy Fund, managed by the Community Energy Department, facilitates the delivery of the San José Clean Energy program (SJCE), which provides residents and businesses of San José with cost competitive electricity and higher renewable content than PG&E. Total Energy Sales ended the year at \$280.4 million, or 3.0%, below the modified budgeted estimate of \$289.0 million. Additionally, the Cost of Energy expenditure ended the year 6.7% below the modified budget of \$295.0 million at \$275.2 million.

In November 2020, City Council approved SJCE's 2021 generation rates for its default GreenSource product at 0.25% below PG&E's rates, inclusive of the Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge for all customers. PG&E's PCIA has risen over 900% between 2013 and 2021, and 41% alone between 2020 and 2021. As a result of the increasing PCIA fees, the City Council approved in May 2021 a rate increase of 8% above PG&E generation rates, an increase to the renewable energy content of GreenSource to 55%, and the introduction of a new low-cost GreenValue product set to match PG&E rates.

However, rising PCIA fees together with a delayed PG&E rate increase, bad debt for unpaid customer bills due to the pandemic, high energy market prices, the effect of weather events, and facilities that experienced operational issues negatively affected SJCE's revenues and cash flow projections. In June 2021, City Council approved the issuance of \$15.0 million of Commercial Paper Notes to cover SJCE's identified cash flow shortage through June 2021, and approved a total Commercial Paper authorization of up to \$95.0 million. Consistent with the June 2021 Commercial Paper program authorization and corresponding baseline cash flow projections, this report recommends recognition of \$53.0 million of Commercial Paper proceeds in 2021-2022. In accordance with City Council direction, staff will return to the Transportation and Environment Committee in December 2021 with a report on SJCE's business plan and outlook for the next twelve months.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Capital Fund Major Revenues

A number of taxes and fees levied on construction and property resale (conveyance) activity provide a large source of revenue to the City’s Capital program. The 2020-2021 actual collections in these capital revenue categories ended the year above budgeted estimates. The chart below provides a comparison of estimated revenues to actual revenues, and a discussion of the three largest revenue sources follows.

**Construction-Related Capital Program Revenues Comparison
 (\$ in Thousands)**

	2020-2021 Estimate*	2020-2021 Actuals	% Variance
Construction and Conveyance Tax	\$40,000	\$53,131	33%
Building and Structure Construction Tax	\$22,000	\$24,248	10%
Construction Excise Tax	\$17,000	\$20,083	18%
Municipal Water System Fees	\$75	\$54	(28%)
Residential Construction Tax	\$200	\$249	25%
Sanitary Sewer Connection Fee	\$500	\$514	3%
Storm Drainage Connection Fee	\$200	\$85	(58%)

* Revenue estimate used in the development of the 2021-2022 Adopted Capital Budget.

- **Construction and Conveyance Tax**

Real estate activity (primarily housing re-sales) determines the collection level of one of the major capital revenue sources, the Construction & Conveyance (C&C) Tax. Approximately 99% of C&C Tax is derived from a tax imposed upon each transfer of real property, with the remaining 1% generated from a construction tax levied on most types of construction. C&C Tax revenues, which are a significant source of funds for the Parks and Community Facilities Development, Library, Fire, Service Yards, and Communications capital programs, totaled \$53.1 million in 2020-2021 – an all-time record high for this revenue category. This collection level is \$13.1 million above the Modified Budget and the estimated collection level of \$40.0 million, and \$12.2 million (29.8%) higher than 2019-2020 receipts of \$40.9 million. For 2021-2022, \$38.0 million is budgeted, and will likely be recommended to increase later in the fiscal year as more information regarding local real estate activity is received. The following graph displays the history of Construction and Conveyance (C&C) Tax receipts.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Capital Fund Major Revenues



- **Building and Structure Construction Tax and the Construction Excise Tax**

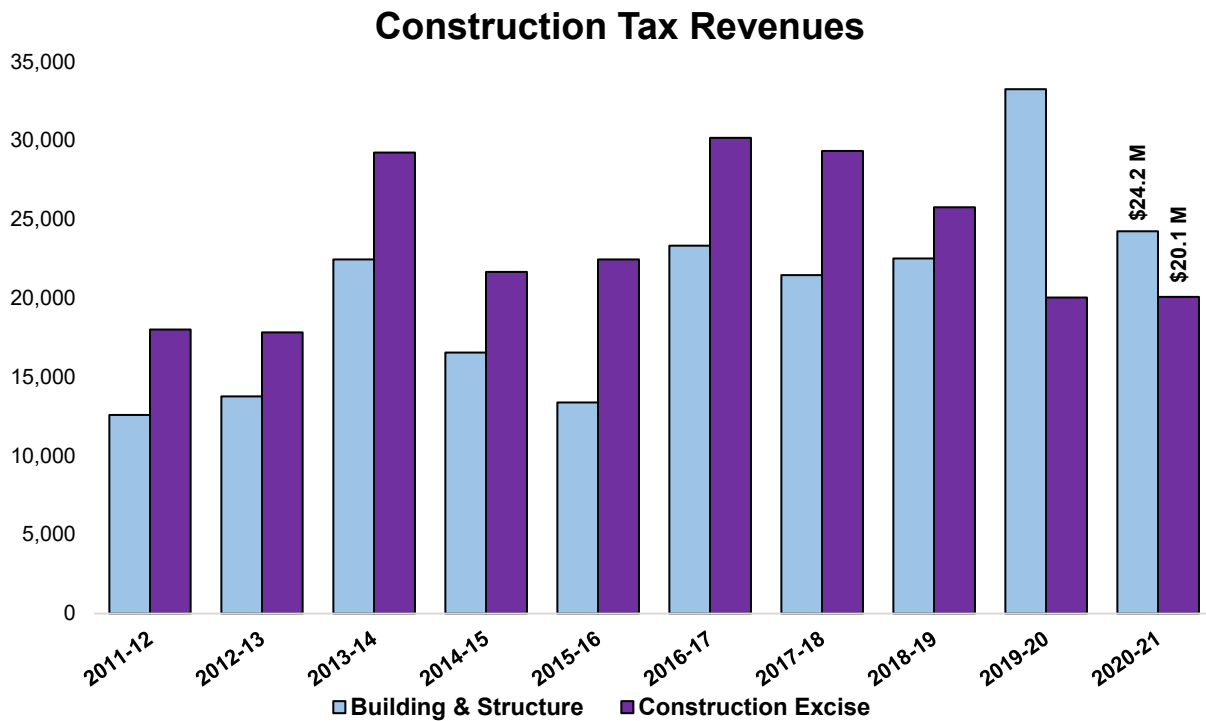
The Building and Structure Construction Tax and the Construction Excise Tax are major sources of funding for the Traffic Capital Program. Year-end collections in the Building and Structure Construction Tax category totaled \$24.2 million in 2020-2021. This collection level was 10.2% (\$2.2 million) above the modified budget estimate of \$22.0 million and \$4.2 million above the revenue estimate of \$20.0 million used to develop the 2021-2022 Adopted Capital Budget; however, the collection level was \$9.0 million less than the historically high amount of \$33.3 million received in 2019-2020. Construction Excise Tax receipts for 2020-2021 totaled \$20.08 million: 18.1% (\$3.1 million) above the modified budget estimate of \$17.0 million; \$2.1 million above the \$18.0 million used to develop the 2021-2022 Adopted Capital Budget; and a 0.2% (\$32,000) decrease from 2019-2020 collections of \$20.05 million.

The graph below displays the collection history of both the Building and Structure Construction Tax and Construction Excise Tax receipts. Valuation activity in 2019-2020 nearly reached the historically high levels of but declined in 2020-2021. The status of these volatile taxes will be closely monitored throughout 2021-2022 to determine if budget actions are necessary to revise the revenue estimates.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Capital Fund Major Revenues



Special and Capital Funds Budget Adjustments

A number of budget adjustments for both special and capital funds are included in this report, including recognition of grants, net-zero transfers/reallocations, new allocations for a small number of high priority projects and programs, and required fund rebalancing activity.

In the Transient Occupancy Tax (TOT) Fund, \$1.9 million in net savings in the Cultural Grants (\$1.4 million) and Cultural Grants Administration (\$0.5 million) appropriations are recommended to be reallocated to a new Cultural Grants Reserve, pending future distribution as projections of TOT revenue performance for 2021-2022 are revisited later this fall during development of the 2022-2023 Preliminary Forecast. If TOT receipts meet budgeted expectations during the course of 2021-2022, this reserve will be recommended to fund additional cultural grants. If TOT receipts fall short, this reserve will buffer against offsetting reductions.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Special and Capital Funds Budget Adjustments

Actions are included to decrease the Resident Relief - Food and Necessities Distribution appropriation in the American Rescue Plan Fund to reclassify \$3.6 million of eligible expenditures anticipated between July 2021 and December 2021 from the American Rescue Plan Fund to the Coronavirus Relief Fund, thereby optimizing the use of remaining federal CARES Act funds prior to their expiration in December 2021. This is an interim adjustment to align eligible COVID-19 response and recovery initiatives with eligible funding sources. However, at the November 2021 City Council meeting, the Administration will recommend a realignment of American Rescue Plan Act funding for community and economic recovery initiatives, which may include the extension of the Food and Necessities Distribution program beyond December 2021 and supplemental funding.

In the Airport Capital Program, actions are included in the Airport Renewal and Replacement Fund to increase the Airfield Geometric Implementation project appropriation by \$840,000, from \$2.6 million to \$3.5 million, to provide additional local share funding for an anticipated grant award from the Federal Aviation Administration (FAA). In order to apply for an Airport Improvement Program grant, the FAA requires demonstration of available funding with the grant application. A corresponding decrease to the Ending Fund Balance is recommended.

In the Parks and Facilities Development Capital Program, several adjustments are recommended in various funds. A couple of notable adjustments include an allocation of \$350,000 to establish the Trail: Five Wounds Trestle Study project in the Subdivision Park Trust Fund to assess the integrity of the trestle that was damaged by fire recently, and an action to increase the Infrastructure Backlog Reserve by \$2.5 million, from \$1.9 million to \$4.4 million, based on higher than anticipated Construction and Conveyance tax receipt in 2020-2021, to set aside funding for future infrastructure backlog needs.

It is important to note that this report includes actions to restore \$200,000 back to the Artificial Turf Capital Replacement Reserve in the General Fund due to the previous deferral of the Smythe Artificial Turf Field Replacement project. As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, staff was directed to return to City Council to present options for the Smythe Field rehabilitation and improvements and seek direction from the City Council. The initial estimate of \$1.2 million was included in the 2019-2020 Adopted Capital Budget with \$1.0 million from Council District 8 Construction and Conveyance (C&C) Tax and \$200,000 from the Artificial Turf Capital Replacement Reserve in the General Fund. At the time the field was built which was prior to 2010, the City had a contract with the Boys & Girls Club (Club) whereby the Club would pay half of the cost of the turf replacement. The Club is not able to provide that funding, and the City no longer has a contract for them to operate the field.

ANALYSIS

2020-2021 Selected Special/Capital Funds Budget Performance

Special and Capital Funds Budget Adjustments

Since the time the project was first identified as a capital need, the estimated cost for improvements has escalated to approximately \$4 million. Funding is not available from the Artificial Turf Capital Replacement Reserve to fund the full replacement; nor is additional funding available from Council District 8 C&C. This report includes budget adjustments to restore the \$200,000 back to the Artificial Turf Capital Replacement Reserve. No other budget actions are needed since the Council District 8's C&C funds were reallocated to other capital projects as part of the 2021-2022 Adopted Capital Budget. The field has been closed and is currently not available for public use. Staff recommends that the field remain closed while they investigate the potential to use Community Development Block Grant Funds for the field renovation.

In the Public Safety Capital Program, an allocation of \$1.4 million to establish the Emergency Fire Equipment Reserve in the Fire Construction and Conveyance Tax Fund is recommended, along with the \$500,000 allocated in the General Fund. Funding is anticipated to be needed in 2021-2022 to replace lifesaving medical equipment and radios that have reached the end of their useful life. As costs and needs arise for these items, the Administration will recommend allocating all or a portion of this reserve as part of a future budget process. A corresponding decrease to the Ending Fund Balance is recommended.

In the Traffic Capital Program, actions to increase the Transportation Grants Reserves in the Building and Structure Construction Tax Fund (\$2.0 million) and Construction Excise Tax Fund (\$3.0 million) are recommended. Actual construction tax revenue collections ended 2020-2021 higher than originally estimated and it is recommended that the additional funding be set aside in the Transportation Grants Reserves to provide City matching funds for grant funding opportunities. Additionally, City funds for pavement maintenance are recommended to be increased by \$1.0 million to restore funding that was decreased in the 2021-2026 Adopted Capital Improvement Plan as part of rebalancing actions for the Traffic Capital Program. This action will be funded by available fund balance in the Construction Excise Tax Fund as a result of various project savings that were generated at the end of 2020-2021.

Finally, the rebudget of unexpended funds for projects and programs extending into 2020-2021 is recommended in this report. Details of these adjustments can be found in Section IV of this report.

NEXT STEPS

The results of the 2020-2021 Annual Report will provide an updated starting point for monitoring 2021-2022 financial performance, with actual revenue and expenditure trends factored into the analysis of the General Fund and numerous special and capital funds. Information on the City's budget for 2021-2022 will be provided in the Bi-Monthly Financial Reports that are heard at the PSFSS Committee and the 2021-2022 Mid-Year Budget Review.

The 2020-2021 Annual Report results will also be factored into the 2022-2023 budget development process. The General Fund Five-Year Forecast is scheduled to be released in late February 2022. The 2022-2023 Proposed Capital and Operating Budgets are scheduled to be released by May 2, 2022.

PUBLIC OUTREACH

This document is posted on the City's website for the October 19, 2021, City Council agenda.

COORDINATION

The City Manager's Budget Office coordinated with the Finance Department on the reconciliation of the City's funds and coordinated with all City Departments and City Council appointees, as applicable, on recommended budget adjustments that are brought forward in this document.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.


CONCLUSION

Through careful fiscal management, overall revenues for the various City funds ended the year close to estimated levels and expenditures were below budgeted allocations. The City Council approved the 2020-2021 Adopted Budget under the extraordinary circumstances of the early stages of the COVID-19 pandemic. The budget was modified several times throughout the year as the City responded to new information regarding economic performance and persistence of COVID-19 cases. As a result of these adjustments, as well as careful forecasting, monitoring, and management throughout all City funds, 2020-2021 revenues and expenditures ended the year very close to budgeted expectations. However, the fourth quarter of 2020-2021 saw an extremely strong surge of revenue growth in the General Fund, which contributed to a higher than anticipated level of year-end fund balance.

In the General Fund, the additional fund balance at the end of 2020-2021 after considering clean-up actions totaled \$61.6 million. Along with a number of net-zero adjustments related to grants, reimbursements and fees, recommendations are included in this report to allocate \$19.2 million of the fund balance toward various required technical and rebalancing actions, \$1.2 million for two urgent fiscal and programmatic needs, as well as \$28.3 million to the 2022-2023 Future Deficit Reserve and \$12.9 million to the Budget Stabilization Reserve in accordance with City Council Policy 1-18.

CONCLUSION

The Administration will continue to monitor and report on the City's budget performance through the Bi-Monthly Financial Reports and the Mid-Year Budget Review. The financial results of 2020-2021, as well as the actual performance in 2021-2022, will be factored into the development of the 2022-2023 budget. The 2023-2027 General Fund Five-Year Forecast will be released at the end of February 2022 for budget planning purposes.


Jim Shannon
Budget Director

CERTIFICATION OF FUNDS

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in fiscal year 2021-2022 monies in excess of those heretofore appropriated therefrom:

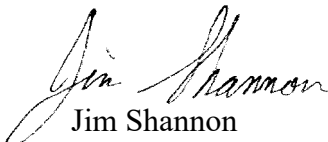
General Fund	\$74,326,016
Affordable Housing Impact Fee Fund	\$1,384,022
Airport Renewal and Replacement Fund	\$4,182,539
Airport Revenue Fund	\$50,126,009
Benefit Funds – Dental Insurance Fund	\$34,171
Benefits Funds - Life Insurance Fund	\$14,207
Benefits Funds - Self-Insured Medical Fund	\$342,534
Benefit Funds – Unemployment Insurance Fund	\$491,258
Branch Libraries Bond Projects Fund	\$6,630,517
Building and Structure Construction Tax Fund	\$9,262,047
Building Development Fee Program Fund	\$5,183,965
Cash Reserve Fund	\$14
City Hall Debt Service Fund	\$271,102
Citywide Planning Fee Program Fund	\$242,229
Community Facilities District Fund #1	\$135
Community Facilities District Fund #2 and #3	\$101,972
Community Facilities District Fund #8	\$53,049
Community Facilities District Fund #11	\$612
Community Facilities District Fund #13	\$20,016
Community Facilities District Fund #14	\$167,113
Community Facilities District Fund #16	\$47,693
Community Facilities District Fund #17	\$15,918
Community Facilities Revenue Fund	\$18,754
Construction and Conveyance Tax – Communications	\$737,813
Construction and Conveyance Tax – Council District 1	\$1,046,117
Construction and Conveyance Tax – Council District 2	\$464,093
Construction and Conveyance Tax – Council District 3	\$767,590
Construction and Conveyance Tax – Council District 5	\$933,431
Construction and Conveyance Tax – Council District 6	\$1,202,602
Construction and Conveyance Tax – Council District 7	\$2,047,463
Construction and Conveyance Tax – Council District 8	\$761,222
Construction and Conveyance Tax – Council District 9	\$1,148,030
Construction and Conveyance Tax – Council District 10	\$393,174

CERTIFICATION OF FUNDS

Construction and Conveyance Tax – Fire	\$1,570,073
Construction and Conveyance Tax – Library	\$10,063,683
Construction and Conveyance Tax – Parks Central	\$1,909,538
Construction and Conveyance Tax – Parks City-Wide	\$3,356,031
Construction and Conveyance Tax – Parks Yards	\$405,008
Construction and Conveyance Tax – Service Yards	\$1,259,440
Construction Excise Tax Fund	\$25,153,975
Contingent Lien District Fund	\$451,754
Convention and Cultural Affairs Capital Fund	\$622,910
Convention and Cultural Affairs Fund	\$511,988
Convention Center Facilities District Capital Fund	\$75,765
Convention Center Facilities District Revenue Fund	\$355,669
Edward Byrne Memorial Justice Assistance Grant Trust Fund	\$568
Emergency Reserve Fund	\$20,880,609
Emma Prusch Fund	\$33,730
Federal Drug Forfeiture Fund	\$215,355
Fire Development Fee Program Fund	\$1,354,376
General Purpose Parking Capital Fund	\$5,681,243
General Purpose Parking Fund	\$1,388,454
Gift Trust Fund	\$2,660,479
Homeless Housing, Assistance, and Prevention Fund	\$6,311,759
Housing Trust Fund	\$865,469
Ice Centre Expansion Bond Fund	\$14,086,620
Improvement District Fund	\$189
Inclusionary Fee Fund	\$357,984
Lake Cunningham Fund	\$149,413
Library Parcel Tax Capital Fund	\$764,099
Library Parcel Tax Fund	\$1,234,873
Low and Moderate Income Housing Asset Fund	\$9,466,566
Maintenance District Fund #1	\$72,785
Maintenance District Fund #5	\$17,434
Maintenance District Fund #11	\$104,477
Maintenance District Fund #13	\$2,107
Maintenance District Fund #15	\$74,515
Maintenance District Fund #18	\$57,230
Maintenance District Fund #20	\$8,967
Maintenance District Fund #21	\$6,396
Maintenance District Fund #22	\$335
Major Collectors and Arterials Fund	\$56,461
Measure T: Public Safety and Infrastructure Bond Fund	\$46,043,835
Multi-Source Housing Fund	\$11,466,819

CERTIFICATION OF FUNDS

Neighborhood Security Bond Fund	\$32,310
Parks and Recreation Bond Projects Fund	\$106,381
Planning Development Fee Program Fund	\$1,680,415
Public Works Development Fee Program Fund	\$1,392,060
Public Works Program Support Fund	\$1,110,702
Public Works Small Cell Permitting Fee Program	\$965,506
Residential Construction Tax Contribution Fund	\$408,556
San José Arena Capital Reserve Fund	\$4,001,748
San José Clean Energy Operating Fund	\$47,271,929
San José-Santa Clara Treatment Plant Capital Fund	\$5,141,177
San José-Santa Clara Treatment Plant Income Fund	\$35,704
Sanitary Sewer Connection Fee Fund	\$357,305
Sewage Treatment Plant Connection Fee Fund	\$250,859
Sewer Service and Use Charge Capital Improvement Fund	\$27,907,704
Sewer Service and Use Charge Fund	\$2,034,485
South Bay Water Recycling Capital Fund	\$12,471
South Bay Water Recycling Operating Fund	\$430,889
St. James Park Management District Fund	\$3,342,164
State Drug Forfeiture Fund	\$34,097
Storm Sewer Capital Fund	\$3,002,377
Storm Sewer Operating Fund	\$1,451,351
Subdivision Park Trust Fund	\$11,959,214
Supplemental Law Enforcement Services Fund	\$2,686,785
Transient Occupancy Tax Fund	\$1,675,578
Underground Utility Fund	\$1,208,872
Vehicle Maintenance and Operations Fund	\$371,042
Water Utility Capital Fund	\$1,213,179
Workforce Development Fund	\$323,563


Jim Shannon
Budget Director

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DEFINITIONS

- **Actuals vs. Budget/Estimate** – This document includes analyses of department appropriations and funds based on variances between the 2020-2021 actual revenues/expenditures and either the 2020-2021 Modified Budget or 2020-2021 estimates.
 - “Actuals” represent unaudited year-end close figures as of June 30, 2021.
 - “Budget” reflects the original 2020-2021 Adopted Budget plus Council-approved modifications to the Appropriation Ordinance and Funding Sources Resolution. This number represents the year-end budget.
 - “Estimates” are revenue/expenditure projections based on information available prior to June 30, 2021. These estimates were used in projecting the year-end fund balance, and consequently, the 2021-2022 Adopted Budget beginning fund balance.

- **Budgetary Basis vs. GAAP** – The figures used throughout the text of this report are presented in accordance with the budget. The Financial Statements section of this report, however, has been prepared using reports which, in many cases, have been adjusted to report transactions in accordance with generally accepted accounting principles (GAAP). Major differences between the budgetary basis and GAAP basis include:
 - Year-end encumbrances are recognized as the equivalent of expenditures for budgetary purposes. Encumbrances are not recognized as expenditures on a GAAP basis until recorded as actual expenditures. As a result, the expenditures and encumbrances have been combined in the text for a budgetary basis presentation, while the Financial Statements section presents expenditures and encumbrances separately.
 - In Governmental Funds, an amount for the current year’s compensated absences is not recognized on a budgetary basis since annual expenditures related to vacation, sick leave, and compensatory time are budgeted as part of departmental personal services.
 - Certain loan transactions and debt service payments are not recognized as expenditures on a GAAP basis since these payments represent a reduction of an existing debt obligation. For budgetary purposes, however, these payments represent a “use of funds” and are budgeted as such.
 - Under the GAAP basis, grant resources that are restricted to capital acquisition or construction in an enterprise fund are identified as contributions of capital and are not recorded as revenue. For budgetary purposes, grant funding, such as this, is recognized as a source of funds.

- **Glossary of Terms** – Definitions of frequently used budgetary and accounting terms are presented on the next page.

GLOSSARY OF TERMS

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Base Budget

Ongoing expense level necessary to maintain service levels previously authorized by the City Council.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Funds

These funds account for resources designated to acquire, rehabilitate, or construct general fixed assets and major improvements.

Capital Improvement Program (Five-Year)

A plan, separate from the annual budget, which identifies all capital projects to be undertaken during a five-year period, along with cost estimates, method of financing, and a recommended schedule for completion.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

Contingency Reserve

An appropriation of funds to cover unforeseen events that occur during the budget year, such as emergencies, newly-required programs, shortfalls in revenue, or other eventualities.

Contractual Services

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt.

Encumbrance

Financial obligations such as purchase orders, contracts, or commitments which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

General Fund

The primary operating fund used to account for all the revenues and expenditures of the City that are not related to special or capital funds.

Non-Personal/Equipment Expenses

Operating costs that are not related to personnel, such as supplies, training, contractual services, utilities, and vehicles.

Operating Budget

A financial plan for the provision of direct services and support functions.

Personal Services

Salary and fringe benefit costs of City employees.

Rebudget

Unspent and unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Special Funds

These funds account for revenues derived from specific taxes or other earmarked revenue sources and are usually required by statute, charter provision, local ordinance, or federal grant regulation to finance particular functions of the City.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

FUND DESCRIPTIONS

Affordable Housing Impact Fee Fund

This Special Revenue Fund accounts for funding related to the Affordable Housing Impact Fee for the development of new market rate residential rental units.

Airport Capital Funds

These Enterprise Funds account for the Airport's capital expenditures and revenues and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and Airport Passenger Facility Charge Fund.

Airport Operating Funds

These Enterprise Funds account for the operation of the Airport and consist of the following: Airport Revenue Fund; Airport Maintenance and Operation Fund; Airport Surplus Revenue Fund; Airport Customer Facility and Transportation Fee Fund; and the Airport Fiscal Agent Fund.

American Rescue Plan Fund

This Special Revenue Fund accounts for funding authorized by the federal American Rescue Plan (ARP) Act.

Benefit Funds

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, Self-Insured Medical Fund, and Benefit Fund.

Branch Libraries Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure O). The use of this fund is restricted to the acquisition of property and the expansion and construction of branch libraries.

Building Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for enforcing building and structures are erected, constructed, enlarged, altered, or repaired in accordance to the City's building, residential, mechanical, plumbing, and electrical codes.

Building and Structure Construction Tax Fund

This Capital Fund accounts for the tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems.

Business Improvement District Fund

This Special Revenue Fund accounts for assessments involving Business Improvement District activities.

Cash Reserve Fund

In the City's Comprehensive Annual Financial Report, this fund is grouped with the City's General Fund. This accounts for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues, and for payment of authorized expenses for any fiscal year that must be paid prior to the receipt of tax payments and other revenues.

City Hall Debt Service Fund

This Special Revenue Fund accounts for the debt service payments for City Hall and the City Hall off-site parking garage. This fund receives transfers from the General Fund, special funds, and capital funds in amounts sufficient to cover the debt service payments.

FUND DESCRIPTIONS

Citywide Planning Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to maintain an updated General Plan, zoning code, and other citywide plans and policies to allow development and new construction to occur consistent with the City's development policy and community objectives.

Community Development Block Grant Fund

This Special Revenue Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development under Title II Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

Community Facilities and Maintenance Assessment District Funds

These Special Revenue Funds account for the maintenance and administration of assessment districts throughout the City.

Community Facilities Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Hayes Mansion operations and provides for the accumulation and transfer of base rental income to the appropriate debt service funds for repayment of facilities-related debts.

Construction and Conveyance Tax Funds

These Capital Funds account for Construction and Conveyance tax receipts. The Construction Tax is a flat rate assessed to residential, commercial, and industrial development. The Conveyance Tax is a fee imposed at a rate of \$3.30 for each \$1,000 of the value of property conveyed. Construction and Conveyance Tax Funds are dedicated to the Parks and Community Facilities Development, Communications, Public Safety (for Fire capital purposes), Library, and Service Yards Capital Programs.

Construction Excise Tax Fund

This Capital Fund accounts for the tax on the construction of residential, commercial, and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This general purpose tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

Contingent Lien District Fund

This Capital Fund accounts for cost sharing agreements through special districts between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Convention and Cultural Affairs Capital Fund

This Capital Fund accounts for transfers received from the Convention Center and Cultural Affairs Fund for the use of capital improvements and repairs to the McEnery Convention Center and other City owned Cultural Facilities.

Convention and Cultural Affairs Fund

This Special Revenue Fund accounts for the costs of managing and operating the San José McEnery Convention Center, California Theatre, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Parkside Hall, South Hall, and their related facilities and grounds.

Convention Center Facilities District Capital Fund

This Capital Fund, supported by transfers from the Convention Center Facilities District Revenue Fund, accounts for capital rehabilitation and improvements to the San Jose McEnery Convention Center.

FUND DESCRIPTIONS

Convention Center Facilities District Project Fund

This Special Revenue Fund accounts for the bond proceeds and construction costs related to the expansion and renovation of the San José McEnery Convention Center.

Convention Center Facilities District Revenue Fund

This Special Revenue Fund accounts for Special Tax revenues collected by the City on behalf of the Convention Center Facilities District No. 2008-1.

Coronavirus Relief Fund

The Coronavirus Relief Fund was created in accordance with the City Charter for the purpose of expending funds received pursuant to section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Funds support the City's response to the public health emergency posed by Coronavirus Disease 2019 (COVID-19), and must be expended in accordance with the provisions of CARES Act and guidelines promulgated by the federal government.

Downtown Property and Business Improvement District Fund

This Special Revenue Fund accounts for revenue collected and expenses related to maintaining and operating any public improvements, which are payable from annual assessments apportioned among the several lots of parcels or property within the Downtown area.

Economic Development Administration Loan Fund

This Special Revenue Fund accounts for federal funds and loan repayments associated with the economic development administration program, which provides loans to small businesses for business expansion, remodeling, working capital, equipment or other specified uses with the goal of generating additional employment opportunities as a result of such assistance to businesses within the City of San José.

Edward Byrne Memorial Justice Assistance Grant Trust Fund

This Special Revenue Fund accounts for the City's portion of funding from the U.S. Department of Justice through the County of Santa Clara as a fiscal agent. Funds are restricted to law enforcement, prevention and education programs, and planning, evaluation, and technology improvements for front line law enforcement.

Emergency Reserve Fund

This Special Revenue Fund accounts for reserves established from local revenues to meet public emergencies.

Emma Prusch Memorial Park Fund

This Capital Fund accounts for the development and improvement of the Emma Prusch Memorial Park.

Federal Drug Forfeiture Fund

This Special Revenue Fund accounts for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Code. Federal guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Fire Development Fee Program Fund

This Special Revenue Fund accounts for construction fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to fire safety plan reviews and inspections for construction projects.

FUND DESCRIPTIONS

Gas Tax Maintenance and Construction Funds

These Special Revenue Funds account for the City's portion of the State collected Gas Tax. Revenues are restricted for acquisition, construction, improvement, and maintenance of public streets subject to provisions of the Streets and Highways Code of the State of California and to provide for traffic capital improvements.

General Purpose Parking Capital Fund

This Capital Fund accounts for capital construction of certain parking facilities. The parking system provides parking to the general public. This Fund is supported by a transfer from the General Purpose Parking Fund.

General Purpose Parking Fund

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters.

Gift Trust Fund

This Special Revenue Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City.

Home Investment Partnership Program Trust Fund

This Special Revenue Fund accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Homeless Housing Assistance, and Prevention Fund

This Special Revenue Fund accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Housing Trust Fund

This Special Revenue Fund accounts for funding to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

Ice Centre Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Ice Centre operations and provides for the accumulation and transfer of base income to the appropriate debt service funds for repayment of facilities-related debts, as well as facility capital repair and renovation.

Ice Centre Expansion Bond Fund

This Capital Fund accounts for revenues and expenditures related to the expansion of Solar4America Ice Centre.

Improvement District Fund

This Special Revenue Fund accounts for revenues and expenditures related to the acquisition and construction of a variety of public infrastructure projects for which individual improvement districts were formed.

Inclusionary Fee Fund

This Special Revenue Fund accounts for fees, related to the Mitigation Fee Act requirement, for the new program on new housing developments as approved by the City.

Integrated Waste Management Fund

This Special Revenue Fund accounts for activities related to the Integrated Waste Management Program, which includes garbage collection, recycling services, and related billing operations. The fund collects revenues from the City's Recycle Plus program. These funds are expended for programs related to the City's efforts to comply with State law requiring cities to reduce waste sent to landfills along with other integrated waste management services.

FUND DESCRIPTIONS

Lake Cunningham Fund

This Capital Fund accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance, and operations at Lake Cunningham Park.

Library Parcel Tax Capital Fund

This Capital Fund supports Library Program capital improvements and is funded by a transfer from the Library Parcel Tax Fund revenue.

Library Parcel Tax Fund

This Special Revenue Fund accounts for annual parcel tax revenues used for enhancing the City's library services and facilities.

Low and Moderate Income Housing Asset Fund

This Special Revenue Fund accounts for housing assets and functions related to the Low and Moderate Income Housing Program retained by the City. This fund provides funding for the administrative costs associated with managing the Successor Housing Agency assets and the continuation of affordable housing programs in the future.

Major Collectors and Arterial Fund

This Capital Fund accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

This Capital Fund accounts for fees associated with the connection of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas. These fees are assessed for the future construction of large water mains, reservoirs, and other large projects.

Multi-Source Housing Fund

This Special Revenue Fund accounts for grants, inclusionary fees, and rental dispute mediation fees to support the rental rights and referrals program, to expand the supply of affordable housing for low and very-low income residents by providing both financial and technical assistance to non-profit organizations in the production and operation of affordable housing, and to preserve the existing supply of affordable housing by providing rehabilitation grants and loans to low and moderate income homeowners.

Municipal Golf Course Fund

This Special Revenue Fund accounts for the construction, management, and operation of various City golf courses, including the San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

Neighborhood Security Act Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). This fund is dedicated for the acquisition of real property and construction and rehabilitation of public safety-related facilities.

Parks and Recreation Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is restricted to acquisition of property, upgrades, and construction of neighborhood parks, community centers, trails, regional parks, and sports complexes.

FUND DESCRIPTIONS

Planning Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and projects in the City. The use of this fund is restricted to provide for enforcing important economic, social, environmental, or planning goals of the city, public improvements, facilities, or services from which the public will benefit.

Public Safety and Infrastructure Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the November 2018 ballot (Measure T). The use of this fund is for acquisition of property or construction related to improvements in public safety and disaster preparedness. A portion of the fund will be used to pave streets and repair potholes.

Public Works Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for planning application revenue, plan revenue and inspection of public improvements, review of subdivision maps, grading permits, and revocable encroachment permits.

Public Works Program Support Fund

This Internal Service Fund accounts for Public Works administrative costs, compensated absences, unfunded activities, and non-personal costs. An annual cost allocation plan is utilized to equitably allocate these costs to capital programs on the basis of service levels received as compensated time-off is earned rather than charging the costs when the time-off is taken. Various capital projects are charged a rate for each hour Public Works' staff spends on the project and corresponding revenue is received by this fund.

Public Works Small Cell Permitting Fee Program Fund

This Special Revenue Fund accounts for fees collected from telecommunication companies to install small cells and fiber on city's property, such as streetlights, traffic lights, and rooftops. The use of this fund is restricted to provide for the permitting and inspection of small cell installations and fiber optic permitting as well as field services.

Rent Stabilization Program Fee Fund

This Special Revenue Fund accounts for fees, collected in accordance with the Mitigation Fee Act requirements, associated with implementing the Apartment Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and Mobilehome Ordinance programs.

Residential Construction Tax Contribution Fund

This Capital Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

Retirement Funds

These Trustee Funds account for the accumulation of resources to be used for retirement annuity payments and consist of the following: Federated Retiree Health Care Trust Fund; Federated Retirement Fund; Fire Retiree Health Care Trust Fund; Police Retiree Health Care Trust Fund; and Police and Fire Retirement Fund.

FUND DESCRIPTIONS

San José Arena Capital Reserve Fund

This Capital Fund provides funding for repairs and replacements of capital items at the San José Arena, including fixtures, machinery, and equipment. The fund receives revenues from San José Arena Management, the ownership group of the San Jose Sharks, and a General Fund contribution supported by revenue generated from the Arena. The amount of funding and the eligible capital repair items are specified by agreement between the City of San José and the San José Arena Management.

San José Clean Energy Operating Fund

This Enterprise Fund accounts for revenues from the sale of electricity and the costs of the San José Clean Energy Program.

San José Municipal Stadium Capital Fund

This Special Revenue Fund accounts for revenues received pursuant to an agreement with the Baseball Acquisition Company for the use, operation, and management of the Municipal Stadium.

San José-Santa Clara Treatment Plant Capital Fund

This Capital Fund accounts for the construction of improvements to the San José/Santa Clara Water Pollution Control Plant (WPCP), and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies and transfers from the Sewer Service and Use Charge Operating Fund.

San José-Santa Clara Treatment Plant Income Fund

This Enterprise Fund accounts for revenues and expenditures not related to the day-to-day operation and maintenance of the WPCP. It contains the City's share of revenue from activities such as land rentals, legal settlements, and purchase of land located at the WPCP.

San José-Santa Clara Treatment Plant Operating Fund

This Enterprise Fund accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

Sanitary Sewer Connection Fee Fund

This Capital Fund accounts for connection fees charged to developers for access to the City's sanitary sewer system. Funds are restricted to the construction and reconstruction of the sewer system.

Sewage Treatment Plant Connection Fee Fund

This Enterprise Fund accounts for revenues from new residential, commercial, and industrial connections to the WPCP. These revenues pay the City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

Sewer Service and Use Charge Capital Improvement Fund

This Capital Fund accounts for the reconstruction of the sanitary sewer system and is funded primarily by annual transfers from the Sewer Service and Use Charge Fund.

Sewer Service and Use Charge Fund

This Enterprise Fund accounts for Sewer Service and Use Charge fees collected from San José property owners to be used for financing, construction, and operation of the City's sewage collection system, and the City's share of the WPCP.

South Bay Water Recycling Capital Fund

This Capital Fund accounts for the acquisition, construction, and installation of recycled water system capital improvements related to the utility's hydraulic capacity and reliability. Funding is derived from revenue generated by recycled water sales, and as recommended by the Treatment Plant Advisory Committee and approved by the City of San Jose, the administering agency.

FUND DESCRIPTIONS

South Bay Water Recycling Operating Fund

This Enterprise Fund accounts for the monies received from the sale of wholesale recycled water produced by the South Bay Water Recycling (SBWR) program for the operations and maintenance of the SBWR system.

St. James Park Management District Fund

This Special Revenue Fund accounts for the donations from developers collected in the Downtown Parks Management District for the activation, operations, and maintenance at St. James Park.

State Drug Forfeiture Fund

This Special Revenue Fund accounts for State drug forfeiture monies received whenever the Police Department is involved in asset seizures from convicted drug law violators. City Council guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Storm Drainage Fee Fund

This Capital Fund accounts for fees collected from developers as a result of connections to the storm drainage sewer system, which may be used for expansion or capacity improvements of the storm drainage system or land acquisition for the system.

Storm Sewer Capital Fund

This Capital Fund accounts for the construction and reconstruction of the storm drainage system, and is funded primarily by transfers from the Storm Sewer Operating Fund.

Storm Sewer Operating Fund

This Special Revenue Fund accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for maintenance and operation of the storm drainage system. Expenditures are focused on maintenance and operation of the storm drainage system, as well as non-point source pollution reduction.

Subdivision Park Trust Fund

This Capital Fund accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Moneys in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Supplemental Law Enforcement Services Fund

This Special Revenue Fund accounts for revenues received from the State of California (AB 3229) to be used for front line municipal police services.

Transient Occupancy Tax Fund

This Special Revenue Fund accounts for receipts generated through the assessment of a percentage of the rental price for transient occupancy lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, 6% of which is placed in this fund and 4% of which is deposited in the General Fund. The uses of revenues from this source are specified by City Ordinance and include grants and rental subsidies for fine arts and cultural programs, and subsidies for the San José Convention and Visitors Bureau, and Convention and Cultural Facilities.

Underground Utility Fund

This Capital Fund accounts for fees collected from developers in lieu of placing utility facilities underground at the time of development. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.

Vehicle Maintenance and Operations Fund

This Internal Service Fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

FUND DESCRIPTIONS

Water Utility Capital Fund

This Capital Fund accounts for the acquisition, construction, and installation of water system capital improvements for the Municipal Water System. This system provides water service to North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas and is primarily funded through user charges.

Water Utility Fund

This Enterprise Fund accounts for the operation of five water system districts: North San José, Evergreen, Coyote Valley, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

Workforce Development Fund

This Special Revenue Fund accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.

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I. BUDGET PERFORMANCE SUMMARY

This section of the Annual Report summarizes 2020-2021 financial performance in the General Fund, Special Funds, and Capital Funds, with the following tables provided for reference.

Comparison of Budget to Actual Revenues and Expenditures by Fund – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2020-2021 Budgeted and Actual revenues as well as the 2020-2021 Budgeted and Actual expenditures, with the dollar and percent variance for each City fund. The revenue figures exclude the Beginning Fund Balance and Reserves and the expenditure figures exclude the Reserves and Ending Fund Balance.

As shown in the Comparison of Budget to Actual Revenues and Expenditures table, actual 2020-2021 revenues across all funds totaled \$4.2 billion, which was 8.0% (\$370.4 million) below the budgeted estimate of \$4.6 billion. In 2020-2021, expenditures totaled \$4.8 billion, which was 18.6% (\$1.1 billion) below the modified budget of \$5.9 billion. Any funds with revenue or expenditure variances to the modified budget that are 10% or greater are numbered with a specific revenue or expenditure code, which are detailed at the bottom of the table.

Comparison of Estimated to Actual 2020-2021 Ending Fund Balance – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2020-2021 Modified Budget for each fund, followed by the estimated 2020-2021 Ending Fund Balance that was used in the development of the 2021-2022 Adopted Budget, the Actual 2020-2021 Ending Fund Balance, the variance between the Estimated and Actual Ending Fund Balance, the value of additional rebudgets recommended in this report, and the revised 2020-2021 Ending Fund Balance variance, should the recommended rebudgets be approved. The table then displays the percentage of the Modified Budget that the revised Ending Fund Balance represents. It is important to note that the dollar amount for the Modified Budget is not adjusted for transfers, loans, and contributions between funds, and therefore, overstates the total funding that was available between the combined funds.

The financial performance in 2020-2021 is used as the updated starting point for 2021-2022. The collective 2020-2021 Ending Fund Balances for all City funds totaled \$1.81 billion, which was \$44.0 million above the 2020-2021 Ending Fund Balance estimates of \$1.76 billion used in the development of the 2021-2022 Adopted Budget. After adjusting for a total net negative rebudget of \$128.8 million recommended in this report, the adjusted 2020-2021 Ending Fund Balance variance for all funds increases to \$172.8 million, or 2.5% of the 2020-2021 Modified Budget. The adjusted fund balance variance totaled \$61.6 million in the General Fund, \$32.5 million in the special funds, and \$78.7 million in the capital funds.

I. BUDGET PERFORMANCE SUMMARY

For most funds, the Actual 2020-2021 Ending Fund Balance was above the estimate used in the development of the 2021-2022 Adopted Budget. In these instances, the additional fund balance is programmed as part of the 2020-2021 Annual Report actions. For the few funds where the 2020-2021 Actual Ending Fund Balance was below the estimate used in the development of the 2021-2022 Adopted Budget, actions are recommended in this report to bring the fund into balance with the lower starting point. In some instances, the variance is the result of the timing of revenues and/or expenditures and the reconciling actions will adjust for those timing differences.

Summary of 2020-2021 Year-End Reserves by Fund – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2020-2021 Contingency and Earmarked Reserves balances for each fund.

At the end of 2020-2021, the Contingency and Earmarked Reserves for all City funds totaled \$830.0 million, which represented 11.9% of the total 2020-2021 Modified Budget of \$7.0 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled \$196.2 million.

I. BUDGET PERFORMANCE SUMMARY

COMPARISON OF BUDGET TO ACTUAL REVENUES AND EXPENDITURES BY FUND

Fund	2020-2021	2020-2021	Revenue Variance	% Variance	2020-2021	2020-2021	Expense Variance	% Variance	Reason for Significant Variances
	Budget Revenues	Actual Revenues			Budget Expenditures	Actual Expenditures			
General Fund	1,342,855,953	1,355,444,037	12,588,084	0.9%	1,593,353,981	1,433,453,358	159,900,623	10.0%	E3
Special Funds									
Airport Customer Facility and Transportation Fee Fund	20,141,379	17,995,617	(2,145,762)	-10.7%	21,973,856	21,483,135	490,721	2.2%	R2
Airport Fiscal Agent Fund	558,373,266	556,789,643	(1,583,623)	-0.3%	567,381,512	567,243,781	137,731	0.0%	
Airport Maintenance and Operation Fund	117,785,947	92,220,820	(25,565,127)	-21.7%	118,266,599	97,506,140	20,760,459	17.6%	R8, E3
Airport Revenue Fund	186,461,661	180,295,658	(6,166,003)	-3.3%	193,291,968	164,538,546	28,753,422	14.9%	E3
Airport Surplus Revenue Fund	15,321,000	13,347,808	(1,973,192)	-12.9%	15,321,769	13,422,031	1,899,738	12.4%	R8, E5
American Rescue Plan Fund	0	1,809,578	1,809,578	0.0%	3,000,000	1,892,712	1,107,288	36.9%	R3, E1
Benefit Funds	96,222,217	94,280,315	(1,941,902)	-2.0%	98,926,327	95,102,577	3,823,750	3.9%	
Building Development Fee Program Fund	65,335,787	68,300,594	2,964,807	4.5%	39,491,099	35,764,787	3,726,312	9.4%	
Business Improvement District Fund	2,142,922	2,227,271	84,349	3.9%	2,345,679	1,974,607	371,072	15.8%	E1
Cash Reserve Fund	100	86	(14)	-14.0%	0	0	0	0.0%	R6
City Hall Debt Service Fund	24,419,730	24,669,658	249,928	1.0%	25,210,918	25,154,745	56,173	0.2%	
Citywide Planning Fee Program Fund	6,893,760	7,257,583	363,823	5.3%	4,516,578	3,213,390	1,303,188	28.9%	E1, E3
Community Development Block Grant Fund	22,189,243	22,337,332	148,089	0.7%	32,487,863	18,251,848	14,236,015	43.8%	E1
Community Facilities Revenue Fund	0	32,354	32,354	0.0%	2,038,406	2,017,006	21,400	1.0%	
Convention and Cultural Affairs Fund	9,922,366	9,874,136	(48,230)	-0.5%	11,331,078	10,119,497	1,211,581	10.7%	E2
Convention Center Facilities District Revenue Fund	13,282,360	13,082,715	(199,645)	-1.5%	11,139,000	10,908,686	230,314	2.1%	
Coronavirus Relief Fund	100,891,064	105,269,191	4,378,127	4.3%	108,933,651	105,074,513	3,859,138	3.5%	
Downtown Property and Business Improvement District Fund	3,482,208	3,498,538	16,330	0.5%	3,496,350	3,493,982	2,368	0.1%	
Economic Development Administration Loan Fund	100	101	1	1.0%	0	0	0	0.0%	
Edward Byrne Memorial Justice Assistance Grant Trust Fund	1,132,766	139,393	(993,373)	-87.7%	1,132,766	169,575	963,191	85.0%	R4, E1
Emergency Reserve Fund	70,577,895	888,970	(69,688,925)	-98.7%	72,371,200	37,708,561	34,662,639	47.9%	R4, E1
Federal Drug Forfeiture Fund	0	2,169	2,169	0.0%	215,000	215,000	0	0.0%	
Fire Development Fee Program Fund	14,602,332	15,147,686	545,354	3.7%	10,730,076	9,713,187	1,016,889	9.5%	
Gas Tax Maintenance and Construction Funds	15,000,000	15,937,974	937,974	6.3%	15,000,000	15,937,974	(937,974)	-6.3%	
General Purpose Parking Fund	12,323,000	12,821,950	498,950	4.0%	14,855,367	13,887,879	967,488	6.5%	
Gift Trust Fund	843,743	1,458,940	615,197	72.9%	4,763,650	1,468,676	3,294,974	69.2%	R5, E4
Home Investment Partnership Program Trust Fund	8,919,683	5,796,738	(3,122,945)	-35.0%	15,796,444	13,592,866	2,203,578	13.9%	R4, E1
Housing Trust Fund	2,828,000	5,775,075	2,947,075	104.2%	3,644,668	2,706,121	938,547	25.8%	R1, R5, E1
Ice Centre Revenue Fund	1,549,618	571,261	(978,357)	-63.1%	1,936,699	1,894,316	42,383	2.2%	R6
Inclusionary Fee Fund	5,699,760	7,632,249	1,932,489	33.9%	5,619,149	201,030	5,418,119	96.4%	R1, R5, E1
Integrated Waste Management Fund	160,472,811	160,605,000	132,189	0.1%	169,304,189	165,795,866	3,508,323	2.1%	
Library Parcel Tax Fund	9,842,670	9,954,217	111,547	1.1%	11,897,620	10,765,540	1,132,080	9.5%	
Low and Moderate Income Housing Asset Fund	17,383,303	68,100,878	50,717,575	291.8%	130,098,375	63,424,780	66,673,595	51.2%	R1, R5, E1
Multi-Source Housing Fund	61,444,869	28,960,184	(32,484,685)	-52.9%	111,868,886	71,647,449	40,221,437	36.0%	R4, E1
Municipal Golf Course Fund	752,000	1,721,877	969,877	129.0%	2,181,389	1,238,470	942,919	43.2%	R5, E3
Planning Development Fee Program Fund	10,284,573	10,698,844	414,271	4.0%	8,308,266	7,326,729	981,537	11.8%	E3
Public Works Development Fee Program Fund	18,945,039	19,896,701	951,662	5.0%	13,953,413	13,078,015	875,398	6.3%	
Public Works Program Support Fund	20,200,000	20,938,739	738,739	3.7%	20,873,481	19,247,192	1,626,289	7.8%	
Public Works Small Cell Permitting Fee Program Fund	7,046,781	7,864,772	817,991	11.6%	6,538,217	6,388,402	149,815	2.3%	R1
Rental Stabilization Program Fee Fund	4,005,000	2,654,592	(1,350,408)	-33.7%	4,836,680	3,776,134	1,060,546	21.9%	R2, E1
San José Arena Capital Reserve Fund	4,085,000	3,821,747	(263,253)	-6.4%	7,106,605	3,106,605	4,000,000	56.3%	E1
San José Clean Energy Fund	304,700,000	295,680,578	(9,019,422)	-3.0%	332,532,546	314,505,989	18,026,557	5.4%	
San José Municipal Stadium Capital Fund	39,000	0	(39,000)	-100.0%	39,000	0	39,000	100.0%	R6, E1
San José-Santa Clara Treatment Plant Operating Funds	271,562,229	275,180,285	3,618,056	1.3%	285,338,284	269,037,433	16,300,851	5.7%	
South Bay Water Recycling Operating Fund	14,649,185	14,805,763	156,578	1.1%	14,809,526	14,539,932	269,594	1.8%	
Special Assessment Maintenance District Funds	7,045,465	7,009,075	(36,390)	-0.5%	9,777,523	7,766,534	2,010,989	20.6%	E1, E3

I. BUDGET PERFORMANCE SUMMARY

Fund	2020-2021	2020-2021	2020-2021		2020-2021	2020-2021	Expense Variance	% Variance	Reason for Significant Variances
	Budget Revenues	Actual Revenues	Revenue Variance	% Variance	Budget Expenditures	Actual Expenditures			
St. James Park Management District Fund	20,809	3,368,494	3,347,685	16087.7%	662,317	501,205	161,112	24.3%	R5, E3
State Drug Forfeiture Fund	0	241,547	241,547	0%	589,024	406,474	182,550	31.0%	R3, E1
Storm Sewer Operating Fund	34,161,042	33,878,221	(282,821)	-0.8%	37,092,242	34,297,567	2,794,675	7.5%	
Supplemental Law Enforcement Services Fund	1,742,141	2,706,368	964,227	55.3%	4,752,842	2,896,049	1,856,794	39.1%	R3, E1
Transient Occupancy Tax Fund	8,474,217	8,092,124	(382,093)	-4.5%	13,293,210	11,291,194	2,002,016	15.1%	E2
Vehicle Maintenance and Operations Fund	26,240,570	24,156,705	(2,083,865)	-7.9%	29,064,560	26,330,565	2,733,995	9.4%	
Workforce Development Fund	10,605,385	6,606,445	(3,998,940)	-37.7%	10,912,663	6,729,268	4,183,395	38.3%	R4, E1
Water Utility Fund	52,781,318	53,573,148	791,830	1.5%	57,629,892	57,950,294	(320,402)	-0.6%	
Sub-Total Special Funds	2,422,825,314	2,339,977,707	(82,847,607)	-3.4%	2,688,678,422	2,386,704,853	301,973,570	11.2%	
Capital Funds									
Airport Capital Funds	68,830,022	35,794,223	(33,035,799)	-48.0%	126,082,285	71,871,033	54,211,252	43.0%	R4, E2
Branch Libraries Bond Projects Fund	5,000	61,422	56,422	1128.4%	4,279,000	323,490	3,955,510	92.4%	R5, E1
Building and Structure Construction Tax Fund	62,586,625	33,960,593	(28,626,032)	-45.7%	112,065,679	36,919,019	75,146,660	67.1%	R4, E1
Construction and Conveyance Tax Funds	65,145,088	77,617,583	12,472,495	19.1%	112,682,939	70,191,291	42,491,648	37.7%	R1, E1
Construction Excise Tax Fund	129,473,457	101,231,730	(28,241,727)	-21.8%	200,353,524	125,008,534	75,344,990	37.6%	R4, E1
Contingent Lien District Fund	270,178	350,022	79,844	29.6%	880,347	842,122	38,225	4.3%	R5
Convention and Cultural Affairs Capital Fund	105,000	286,498	181,498	172.9%	8,467,701	7,048,289	1,419,412	16.8%	R5, E1
Convention Center Facility District Capital Fund	10,600	30,830	20,230	190.8%	4,512,628	4,238,693	273,935	6.1%	R5
Emma Prusch Park Fund	100,000	102,177	2,177	2.2%	395,125	16,573	378,552	95.8%	E1
General Purpose Parking Capital Fund	754,000	1,370,892	616,892	81.8%	23,746,754	14,030,403	9,716,351	40.9%	R5, E1, E2
Ice Centre Expansion Bond Fund	120,000,000	120,131,216	131,216	0.1%	61,570,000	47,614,596	13,955,404	22.7%	E1
Improvement District Fund	0	189	189	0.0%	123,953	123,953	0	0.0%	R5
Lake Cunningham Fund	50,000	92,681	42,681	85.4%	1,447,467	715,734	731,733	50.6%	R1, E1
Library Parcel Tax Capital Fund	1,939,141	1,958,013	18,872	1.0%	2,465,000	1,773,756	691,244	28.0%	E1
Major Collectors and Arterials Fund	28,000	79,461	51,461	183.8%	205,622	200,622	5,000	2.4%	R5
Major Facilities Fund	112,000	118,069	6,069	5.4%	2,102,291	166,291	1,936,000	92.1%	E1, E2
Neighborhood Security Bond Fund	1,655,000	1,680,040	25,040	1.5%	6,100,241	2,706,972	3,393,269	55.6%	E1
Parks and Recreation Bond Projects Fund	250,000	168,764	(81,236)	-32.5%	4,093,211	2,053,447	2,039,764	49.8%	R6, E1
Public Safety and Infrastructure Bond Fund	2,800,000	1,616,108	(1,183,892)	-42.3%	190,770,162	95,609,170	95,160,992	49.9%	R6, E1
Residential Construction Tax Contribution Fund	245,000	286,157	41,157	16.8%	429,812	62,413	367,399	85.5%	R1, E1
San José-Santa Clara Treatment Plant Capital Fund	336,451,000	99,283,393	(237,167,607)	-70.5%	571,496,044	403,625,661	167,870,383	29.4%	R6, E1
Sanitary Sewer Connection Fee Fund	681,000	570,991	(110,009)	-16.2%	1,724,673	1,055,358	669,315	38.8%	R6, E1
Sewer Service and Use Charge Capital Improvement Fund	36,339,000	35,376,010	(962,990)	-2.7%	92,993,301	57,588,609	35,404,692	38.1%	E1
South Bay Water Recycling Capital Fund	67,000	55,737	(11,263)	-16.8%	26,266	1,266	25,000	95.2%	R6, E2
Storm Drainage Fee Fund	227,000	100,339	(126,661)	-55.8%	422,727	390,248	32,479	7.7%	R2
Storm Sewer Capital Fund	11,033,000	9,946,060	(1,086,940)	-9.9%	21,762,860	7,149,589	14,613,271	67.1%	E1
Subdivision Park Trust Fund	86,000	15,784,937	15,698,937	18254.6%	48,924,610	18,475,332	30,449,278	62.2%	R3, R5, E1
Underground Utility Fund	482,000	1,399,918	917,918	190.4%	3,128,360	2,636,406	491,954	15.7%	R5, E3
Water Utility Capital Fund	7,508,000	7,602,594	94,594	1.3%	15,280,792	8,412,458	6,868,334	44.9%	E1, E2
Sub-Total Capital Funds	847,233,111	547,056,647	(300,176,464)	-35.4%	1,618,533,374	980,851,328	637,682,046	39.4%	
TOTAL ALL FUNDS	4,612,914,378	4,242,478,391	(370,435,987)	-8.0%	5,900,565,777	4,801,009,539	1,099,556,238	18.6%	

Reasons for Significant Variances in Revenues

- R1 Revenues collected from taxes, fees, and charges came in higher than anticipated
- R2 Revenues collected from taxes, fees, and charges came in lower than anticipated
- R3 Revenues collected from grants and reimbursements came in higher than anticipated
- R4 Revenues collected from grants and reimbursements came in lower than anticipated
- R5 Interest earnings, developer/agency contributions, and other miscellaneous revenue came in higher than anticipated
- R6 Interest earnings, developer/agency contributions, and other miscellaneous revenue came in lower than anticipated
- R7 Transfers from various funds were higher than anticipated
- R8 Transfers from various funds were lower than anticipated

Reasons for Significant Variances in Expenditures

- E1 Expenditures were lower than anticipated due to the delay of projects and/or change in schedule of expenditures
- E2 Expenditures were lower than anticipated due to project/program savings
- E3 Expenditures were lower than anticipated due to lower operating costs (e.g., personal services and non-personal/equipment cost savings)
- E4 Expenditures were lower than anticipated due to unspent gifts
- E5 Expenditures/Transfers to various funds were lower than budgeted based on actual 2020-2021 activity

I. BUDGET PERFORMANCE SUMMARY

COMPARISON OF ESTIMATED TO ACTUAL 2020-2021 ENDING FUND BALANCE

Fund	2020-2021 Modified Budget	2020-2021 Est. Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments	Revised Variance (incl. Rebudget Adjustments)	Revised Variance As % of Mod Budget
General Fund	1,790,045,704	321,188,401	369,180,430	47,992,029	13,621,360	61,613,389	3.4%
Special Funds							
Airport Customer Facility and Transportation Fee Fund	29,260,121	6,393,831	5,801,978	(591,853)	0	(591,853)	-2.0%
Airport Fiscal Agent Fund	641,759,606	84,015,635	72,932,202	(11,083,433)	0	(11,083,433)	-1.7%
Airport Maintenance and Operation Fund	149,937,784	30,704,826	29,619,202	(1,085,624)	0	(1,085,624)	-0.7%
Airport Revenue Fund	253,828,234	61,329,452	83,123,685	21,794,233	0	21,794,233	8.6%
Airport Surplus Revenue Fund	16,504,042	1,219,557	1,108,819	(110,738)	0	(110,738)	-0.7%
American Rescue Plan Fund	3,000,000	3,000,000	1,676,329	(1,323,671)	216,383	(1,107,288)	-36.9%
Benefit Funds	106,885,252	7,894,641	8,442,639	547,998	(83,600)	464,398	0.4%
Building Development Fee Program Fund	25,844,688	27,351,938	32,535,807	5,183,869	0	5,183,869	20.1%
Business Improvement District Fund	2,362,742	17,063	472,484	455,421	0	455,421	19.3%
Cash Reserve Fund	6,131	6,131	6,117	(14)	0	(14)	-0.2%
City Hall Debt Service Fund	26,106,379	895,460	1,201,562	306,102	0	306,102	1.2%
Citywide Planning Fee Program Fund	2,377,182	3,801,963	4,044,192	242,229	0	242,229	10.2%
Community Development Block Grant Fund	33,596,292	3,290,864	15,492,533	12,201,669	(10,745,586)	1,456,083	4.3%
Community Facilities Revenue Fund	2,312,766	274,360	293,114	18,754	0	18,754	0.8%
Convention and Cultural Affairs Fund	12,341,914	1,544,964	2,174,187	629,223	0	629,223	5.1%
Convention Center Facilities District Revenue Fund	27,943,499	6,220,549	6,576,218	355,669	0	355,669	1.3%
Coronavirus Relief Fund	108,933,651	0	865,659	865,659	2,752,858	3,618,517	3.3%
Downtown Property and Business Improvement District Fund	5,093,114	1,686,156	1,615,462	(70,694)	0	(70,694)	-1.4%
Economic Development Administration Loan Fund	7,169	7,194	7,170	(24)	0	(24)	-0.3%
Edward Byrne Memorial Justice Assistance Grant Trust Fund	1,132,766	0	69,818	69,818	(69,250)	568	0.1%
Emergency Reserve Fund	72,783,987	412,787	(34,613,499)	(35,026,286)	37,832,942	2,806,656	3.9%
Federal Drug Forfeiture Fund	222,247	9,061	(213,186)	(222,247)	0	(222,247)	-100.0%
Fire Development Fee Program Fund	14,602,332	4,080,124	5,434,499	1,354,375	0	1,354,375	9.3%
Gas Tax Maintenance and Construction Funds	15,000,000	0	0	0	0	0	0.0%
General Purpose Parking Fund	15,717,699	940,566	2,329,020	1,388,454	(200,000)	1,188,454	7.6%
Gift Trust Fund	4,763,650	1,835,804	3,905,229	2,069,425	(2,640,473)	(571,048)	-12.0%
Home Investment Partnership Program Trust Fund	15,889,315	1,521,291	(826,496)	(2,347,787)	0	(2,347,787)	-14.8%
Housing Trust Fund	5,648,743	5,024,230	5,889,699	865,469	0	865,469	15.3%
Ice Centre Revenue Fund	2,623,875	169,676	(736,298)	(905,974)	0	(905,974)	-34.5%
Inclusionary Fee Fund	33,232,449	9,605,925	15,063,909	5,457,984	(150,000)	5,307,984	16.0%
Integrated Waste Management Fund	185,266,477	24,783,654	20,329,902	(4,453,752)	3,817,000	(636,752)	-0.3%
Library Parcel Tax Fund	16,103,152	4,214,601	5,449,159	1,234,558	0	1,234,558	7.7%
Low and Moderate Income Housing Asset Fund	167,888,731	111,348,308	120,864,874	9,516,566	(133,000)	9,383,566	5.6%
Multi-Source Housing Fund	142,325,970	112,950,355	56,843,455	(56,106,900)	48,399,171	(7,707,729)	-5.4%
Municipal Golf Course Fund	2,238,570	1,977,181	1,969,976	(7,205)	0	(7,205)	-0.3%
Planning Development Fee Program Fund	1,976,307	1,691,701	3,372,115	1,680,414	0	1,680,414	85.0%
Public Works Development Fee Program Fund	18,945,039	5,426,626	6,818,686	1,392,060	0	1,392,060	7.3%
Public Works Program Support Fund	21,070,457	1,451,302	2,562,004	1,110,702	0	1,110,702	5.3%
Public Works Small Cell Permitting Fee Program Fund	7,046,781	510,864	1,476,370	965,506	0	965,506	13.7%

I. BUDGET PERFORMANCE SUMMARY

Fund	2020-2021 Modified Budget	2020-2021 Est. Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments	Revised Variance (incl. Rebudget Adjustments)	Revised Variance As % of Mod Budget
Rental Stabilization Program Fee Fund	7,126,570	2,865,355	2,000,028	(865,327)	250,000	(615,327)	-8.6%
San José Arena Capital Reserve Fund	10,086,116	2,714,511	6,716,259	4,001,748	0	4,001,748	39.7%
San José Clean Energy Fund	358,440,279	43,751,785	28,123,714	(15,628,071)	0	(15,628,071)	-4.4%
San José Municipal Stadium Capital Fund	39,000	0	0	0	0	0	0.0%
San José-Santa Clara Treatment Plant Operating Funds	412,554,945	149,852,817	146,788,948	(3,063,869)	1,515,577	(1,548,292)	-0.4%
South Bay Water Recycling Operating Fund	16,527,175	1,712,931	2,143,820	430,889	0	430,889	2.6%
Special Assessment Maintenance District Funds	16,119,314	7,745,720	8,316,385	570,665	(430,000)	140,665	0.9%
St. James Park Management District Fund	2,617,211	2,121,528	5,463,692	3,342,164	0	3,342,164	127.7%
State Drug Forfeiture Fund	721,150	522,126	556,223	34,097	0	34,097	4.7%
Storm Sewer Operating Fund	54,234,829	19,869,580	21,320,931	1,451,351	0	1,451,351	2.7%
Supplemental Law Enforcement Services Fund	4,851,917	92,366	2,747,858	2,655,492	232,253	2,887,745	59.5%
Transient Occupancy Tax Fund	13,741,894	393,029	2,068,607	1,675,578	0	1,675,578	12.2%
Vehicle Maintenance and Operations Fund	30,444,751	1,659,279	2,030,321	371,042	(315,000)	56,042	0.2%
Water Utility Fund	70,587,305	13,664,778	13,423,786	(240,992)	0	(240,992)	-0.3%
Workforce Development Fund	11,789,417	134,970	1,285,462	1,150,492	75	1,150,567	9.8%
Sub-Total Special Funds	3,202,460,986	774,709,415	726,964,629	(47,744,786)	80,249,350	32,504,564	1.0%
<i>Capital Funds</i>							
Airport Capital Funds	144,462,772	33,836,429	40,080,523	6,244,094	(444,000)	5,800,094	4.0%
Branch Libraries Bond Projects Fund	6,897,586	0	6,630,517	6,630,517	(255,000)	6,375,517	92.4%
Building and Structure Construction Tax Fund	162,925,726	87,119,348	97,455,395	10,336,047	(5,601,000)	4,735,047	2.9%
Construction and Conveyance Tax Funds	155,916,833	77,561,755	97,893,106	20,331,351	(2,983,000)	17,348,351	11.1%
Construction Excise Tax Fund	252,613,656	97,358,202	99,945,660	2,587,458	7,129,517	9,716,975	3.8%
Contingent Lien District Fund	4,040,007	3,659,660	3,277,729	(381,931)	0	(381,931)	-9.5%
Convention and Cultural Affairs Capital Fund	8,468,318	978,617	1,601,526	622,909	(499,000)	123,909	1.5%
Convention Center Facility District Capital Fund	4,589,211	198,983	274,748	75,765	(171,000)	(95,235)	-2.1%
Emma Prusch Park Fund	501,304	453,179	486,909	33,730	0	33,730	6.7%
General Purpose Parking Capital Fund	46,681,721	27,586,967	33,268,210	5,681,243	(3,237,000)	2,444,243	5.2%
Ice Centre Expansion Bond Fund	120,000,000	58,430,000	72,516,620	14,086,620	0	14,086,620	11.7%
Improvement District Fund	123,953	0	189	189	0	189	0.2%
Lake Cunningham Fund	2,085,689	1,297,436	1,446,849	149,413	(5,000)	144,413	6.9%
Library Parcel Tax Capital Fund	2,509,462	0	764,099	764,099	(641,000)	123,099	4.9%
Major Collectors and Arterials Fund	1,951,159	1,745,537	1,801,998	56,461	0	56,461	2.9%
Major Facilities Fund	6,294,662	8,162,361	6,258,441	(1,903,920)	1,920,000	16,080	0.3%
Neighborhood Security Bond Fund	6,100,241	3,386,000	3,418,309	32,309	(7,269)	25,040	0.4%
Parks and Recreation Bond Projects Fund	18,960,102	16,867,230	16,973,611	106,381	113,000	219,381	1.2%
Public Safety and Infrastructure Bond Fund	193,700,036	53,759,874	96,906,974	43,147,100	(41,480,000)	1,667,100	0.9%
Residential Construction Tax Contribution Fund	2,749,191	2,319,379	2,727,935	408,556	0	408,556	14.9%
San José-Santa Clara Treatment Plant Capital Fund	577,887,569	48,830,806	(60,479,016)	(109,309,822)	84,382,000	(24,927,822)	-4.3%
Sanitary Sewer Connection Fee Fund	3,865,874	2,343,201	2,700,506	357,305	200,000	557,305	14.4%
Sewer Service and Use Charge Capital Improvement Fund	111,655,684	24,505,383	52,413,087	27,907,704	(200,000)	27,707,704	24.8%
South Bay Water Recycling Capital Fund	3,981,443	3,956,443	3,968,914	12,471	0	12,471	0.3%
Storm Drainage Fee Fund	1,056,077	647,350	539,167	(108,183)	0	(108,183)	-10.2%
Storm Sewer Capital Fund	27,435,087	17,797,228	19,281,605	1,484,377	724,000	2,208,377	8.0%
Subdivision Park Trust Fund	88,711,367	73,989,760	85,948,974	11,959,214	(3,354,000)	8,605,214	9.7%
Underground Utility Fund	11,462,917	8,535,557	9,744,429	1,208,872	0	1,208,872	10.5%
Water Utility Capital Fund	19,477,261	10,280,510	11,493,689	1,213,179	(634,000)	579,179	3.0%
Sub-Total Capital Funds	1,987,104,907	665,607,195	709,340,703	43,733,508	34,957,248	78,690,756	4.0%
TOTAL ALL FUNDS	6,979,611,597	1,761,505,011	1,805,485,762	43,980,751	128,827,958	172,808,709	2.5%

I. BUDGET PERFORMANCE SUMMARY

SUMMARY OF 2020-2021 YEAR-END RESERVES BY FUND

Fund	2020-2021 Contingency and Earmarked Reserves Balance
General Fund	\$196,233,945
Special Funds	
Airport Customer Facility and Transportation Fee Fund	5,801,978
Airport Fiscal Agent Fund	72,932,202
Airport Maintenance and Operation Fund	29,619,202
Airport Revenue Fund	83,123,685
Airport Surplus Revenue Fund	1,108,819
American Rescue Plan Fund	0
Benefit Funds	1,400,000
Building Development Fee Program Fund	0
Business Improvement District Fund	17,063
Cash Reserve Fund	0
City Hall Debt Service Fund	0
Citywide Planning Fee Program Fund	0
Community Development Block Grant Fund	0
Community Facilities Revenue Fund	35,000
Convention and Cultural Affairs Fund	0
Convention Center Facilities District Revenue Fund	10,258,950
Coronavirus Relief Fund	0
Downtown Property and Business Improvement District Fund	0
Economic Development Administration Loan Fund	0
Edward Byrne Memorial Justice Assistance Grant Trust Fund	0
Emergency Reserve Fund	0
Federal Drug Forfeiture Fund	0
Fire Development Fee Program Fund	0
Gas Tax Maintenance and Construction Funds	0
General Purpose Parking Fund	700,000
Gift Trust Fund	0
Home Investment Partnership Program Trust Fund	0
Housing Trust Fund	0
Ice Centre Revenue Fund	487,500
Inclusionary Fee Fund	19,900,000
Integrated Waste Management Fund	14,110,417
Library Parcel Tax Fund	2,000,000
Low and Moderate Income Housing Asset Fund	34,316,653
Municipal Golf Course Fund	0
Multi-Source Housing Fund	30,457,084
Planning Development Fee Program Fund	0
Public Works Development Fee Program Fund	0
Public Works Program Support Fund	0
Public Works Small Cell Permitting Fee Program Fund	0
Rental Stabilization Program Fee Fund	0
San José Clean Energy Fund	20,000,000
San José Municipal Stadium Capital Fund	0
San José-Santa Clara Treatment Plant Operating Funds	95,471,730
San José Arena Capital Reserve Fund	0

SUMMARY OF 2020-2021 YEAR-END RESERVES BY FUND

Fund	2020-2021 Contingency and Earmarked Reserves Balance
South Bay Water Recycling Operating Fund	1,467,432
Special Assessment Maintenance District Funds	0
St. James Park Management District Fund	0
State Drug Forfeiture Fund	0
Storm Sewer Operating Fund	12,458,885
Supplemental Law Enforcement Services Fund	0
Transient Occupancy Tax Fund	0
Vehicle Maintenance and Operations Fund	0
Water Utility Fund	11,003,886
Workforce Development Fund	754,801
Sub-Total Special Funds	\$447,425,287
<i>Capital Funds</i>	
Airport Capital Funds	0
Branch Libraries Bond Projects Fund	0
Building and Structure Construction Tax Fund	31,118,625
Construction and Conveyance Tax Funds	7,488,000
Construction Excise Tax Fund	46,063,074
Convention and Cultural Affairs Capital Fund	0
Convention Center Facility District Capital Fund	0
Contingent Lien District Fund	3,043,660
Emma Prusch Park Fund	0
General Purpose Parking Capital Fund	22,125,000
Ice Centre Expansion Bond Fund	0
Improvement District Fund	0
Lake Cunningham Fund	400,000
Library Parcel Tax Capital Fund	0
Major Collectors and Arterials Fund	0
Major Facilities Fund	1,600,000
Neighborhood Security Bond Fund	0
Parks and Recreation Bond Projects Fund	14,866,891
Public Safety and Infrastructure Bond Fund	843,000
Residential Construction Tax Contribution Fund	0
San José-Santa Clara Treatment Plant Capital Fund	5,000,000
Sanitary Sewer Connection Fee Fund	0
Sewer Service and Use Charge Capital Improvement Fund	2,400,000
South Bay Water Recycling Capital Fund	3,666,000
Storm Drainage Fee Fund	0
Storm Sewer Capital Fund	4,500,000
Subdivision Park Trust Fund	39,786,757
Underground Utility Fund	0
Water Utility Capital Fund	3,400,000
Sub-Total Capital Funds	\$186,301,007
TOTAL ALL FUNDS	\$829,960,239

II. GENERAL FUND BUDGET PERFORMANCE

This section of the Annual Report summarizes the performance of the General Fund and is broken down into the following sections:

General Fund Year-End Performance – This section provides data on the overall status of the General Fund at the end of 2020-2021. It includes a chart that compares the General Fund modified budget and actuals for sources, uses, and ending fund balance as well as a chart that compares the General Fund actuals to the estimates used in developing the 2021-2022 Adopted Budget.

General Fund Revenue Performance – This section provides detail on the actual 2020-2021 General Fund revenue collections. This section includes a chart that compares the 2020-2021 Modified Budget to the actuals for each of the General Fund revenue categories. This chart is followed by a discussion of the performance in each category that includes an explanation of variances from the modified budget, any resulting current year implications for revenue estimates, and a comparison of the actual revenues to prior year collections to indicate collection trends and provide a historical perspective.

General Fund Expenditure Performance – This section provides detail on the actual 2020-2021 General Fund expenditures. This section includes charts that compare the 2020-2021 Modified Budget to actuals for the major expenditure categories as well as the 2020-2021 year-end estimates to actuals for the total expenditures. The review of the General Fund expenditure performance also includes detailed information on departmental and non-departmental performance, including a discussion of significant variances as well as a chart on total expenditures by each category broken down in further detail. In addition, this section includes a discussion of significant departmental variances and highlights of non-departmental expenditures and variances.

GENERAL FUND YEAR-END PERFORMANCE

The General Fund ended the year with an available 2020-2021 ending fund balance (unaudited) of \$369.2 million, as reflected in the following table:

GENERAL FUND BUDGET TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2021

	2020-2021 Modified Budget	2020-2021 Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	400,283,991	400,283,991	-
Carryover Encumbrances	46,447,982	46,447,982	-
Liquidation of Carryover Encumbrances		457,778	457,778
<i>Subtotal</i>	<i>446,731,973</i>	<i>447,189,751</i>	<i>457,778</i>
Revenues	1,342,855,953	1,355,444,037	12,588,084
Total Sources	<u>1,789,587,926</u>	<u>1,802,633,788</u>	<u>13,045,862</u>
Uses			
Personal Services	878,284,373	871,751,515	(6,532,858)
Non-Personal/Equipment/Other	175,324,867	151,741,786	(23,583,081)
City-Wide Expenses	328,350,544	274,241,519	(54,109,025)
Capital Contributions	130,568,593	54,892,934	(75,675,659)
Transfers	80,825,604	80,825,604	-
Reserves	196,233,945	-	(196,233,945)
Total Uses	<u>1,789,587,926</u>	<u>1,433,453,358</u>	<u>(356,134,568)</u>
Available Ending Fund Balance		<u>369,180,430</u>	<u>369,180,430</u>

Note: In the chart above, the General Fund excludes the Emergency Reserve Fund and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2020-2021 Comprehensive Annual Financial Report (CAFR), the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND YEAR-END PERFORMANCE

The actual ending fund balance of \$369.2 million exceeded the estimated ending fund balance level used in the development of the 2021-2022 Adopted Budget by \$48.0 million (2.7% of the 2020-2021 Modified Budget). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2020-2021, a true ending fund balance of \$61.6 million (3.4% of the 2020-2021 Modified Budget) remains in 2020-2021 and is available for allocation in 2021-2022. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

GENERAL FUND ESTIMATE TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2021

Sources	2020-2021 Estimate	2020-2021 Budgetary Basis Actual	Variance
Beginning Fund Balance	400,283,991	400,283,991	-
Carryover Encumbrances	46,447,982	46,447,982	-
Liquidation of Carryover Encumbrances	-	457,778	457,778
<i>Subtotal</i>	<i>446,731,973</i>	<i>447,189,751</i>	<i>457,778</i>
Revenues	1,344,213,300	1,355,444,037	11,230,737 ¹
Total Sources	<u>1,790,945,273</u>	<u>1,802,633,788</u>	<u>11,688,515</u>
Uses			
Expenditures	1,469,756,872	1,433,453,358	(36,303,514) ¹
Total Uses	<u>1,469,756,872</u>	<u>1,433,453,358</u>	<u>(36,303,514)</u>
Ending Fund Balance	<u>321,188,401</u>	<u>369,180,430</u>	<u>47,992,029</u>

¹ The 2021-2022 Adopted Budget included \$4.6 million in grant and reimbursement-related revenues and expenditures not expected to be received in 2020-2021 and were rebudgeted to 2021-2022. This resulted in lower actual revenues and expenditures in 2020-2021, with no net impact to the General Fund. After factoring out the lower revenues and expenditures associated with these grants and reimbursements, the revenues variance actually resulted in a surplus of \$15.8 million, rather than a surplus of \$11.2 million, and the expenditures variance actually resulted in savings of \$31.7 million, rather than savings of \$36.3 million.

Note: In the chart above, the General Fund excludes the Emergency Reserve Funds and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2020-2021 Annual Financial Report, the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the variances between the 2020-2021 Modified Budget and Budgetary Basis Actuals for revenues, expenditures, transfers, and reserves is provided in the following section. However, the variances for the Beginning Fund Balance and Liquidation of Carryover Encumbrances category are discussed below.

The actual 2020-2021 Beginning Fund Balance of \$400.3 million was consistent with the estimate. The actual 2020-2021 Liquidation of Carryover Encumbrances was \$458,000 and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2019-2020 financial statements and the end of 2020-2021. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The 2021-2022 Adopted Budget did not assume any encumbrance liquidations.

As noted on the chart on the previous page, after adjusting for \$4.6 million in grants and reimbursements that were not received or expended in 2020-2021, the final General Fund Ending Fund Balance represents a positive variance of \$48.0 million (2.7% of the 2020-2021 Modified Budget), which includes higher than estimated expenditures savings (\$36.3 million), higher revenues (\$11.2 million), and higher than estimated liquidation of prior year encumbrances (\$458,000). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2020-2021, \$61.6 million (3.4% of the 2020-2021 Modified Budget) in additional ending fund balance is available. The \$61.6 million positive fund balance variance is comprised of higher than estimated revenues of \$41.7 million (3.1%), net expenditure savings of \$19.5 million (1.1%), and higher than estimated liquidation of prior year encumbrances (\$458,000).

Recommendations for the allocation of the additional 2020-2021 Ending Fund Balance are provided elsewhere in this document.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

The following table details actual 2020-2021 General Fund revenue collections as compared with the Modified Budget estimates:

TABLE A
2020-2021 GENERAL FUND REVENUE SUMMARY
COMPARISON OF BUDGET TO ACTUAL
(\$000s)

Category	2019-2020 Budgetary Basis Actual	2020-2021 Modified Budget	2020-2021 Budgetary Basis Actual	2020-2021 Budget to Actual \$ Variance
Property Tax	\$ 369,506,527	\$ 379,500,000	\$ 390,896,950	\$ 11,396,950
Sales Tax	260,558,394	262,500,000	284,020,471	21,520,471
Transient Occupancy Tax	14,103,867	5,500,000	5,409,142	(90,858)
Business Taxes	70,822,027	63,900,000	70,035,779	6,135,779
Utility Tax	99,518,300	95,800,000	106,970,843	11,170,843
Franchise Fees	44,435,817	45,921,096	45,628,289	(292,807)
Real Property Transfer Tax	0	50,000,000	50,530,828	530,828
Telephone Line Tax	20,694,877	20,000,000	20,872,785	872,785
Licenses and Permits	64,520,529	19,894,447	19,388,370	(506,077)
Fees, Rates, and Charges	48,568,307	8,750,702	7,442,173	(1,308,529)
Fines, Forfeitures, and Penalties	14,383,145	9,730,100	9,760,327	30,227
Rev. from Use of Money/Property	13,523,097	11,769,800	8,778,301	(2,991,499)
Revenue from Local Agencies	15,659,671	23,291,739	20,411,974	(2,879,765)
Revenue from State of California	22,511,983	20,580,155	20,734,690	154,535
Rev. from Federal Government	2,638,902	8,022,531	3,733,619	(4,288,912)
Other Revenue	34,504,998	193,282,508	166,871,618	(26,410,890)
Subtotal	1,095,950,441	1,218,443,078	1,231,486,159	13,043,081
Overhead Reimbursements	57,003,787	70,187,893	68,109,800	(2,078,093)
Transfers	35,629,474	38,478,985	39,190,393	711,408
Reimbursements for Services	16,145,354	15,745,997	16,657,685	911,688
Subtotal	108,778,615	124,412,875	123,957,878	(454,997)
TOTALS¹	\$ 1,204,729,056	\$ 1,342,855,953	\$ 1,355,444,037	\$ 12,588,084

¹ Excludes Beginning Fund Balance.

GENERAL FUND REVENUE PERFORMANCE

The General Fund revenue performance for 2020-2021 is discussed in detail in this section. The 2020-2021 actual revenue receipts for each of the major revenue categories are compared to the modified budgets and any significant variances and resulting implications for current year revenue estimates are described. In addition, comparisons with prior fiscal year collection levels are included to indicate collection trends and to provide a historical perspective.

As shown in Table A, total revenue received in the General Fund in 2020-2021 was \$1.36 billion. This collection level was within 0.9%, or \$12.6 million, of the 2020-2021 Modified Budget. After accounting for reconciling items, rebudgets, and other clean-up actions, revenues ended the year \$41.7 million, or 3.1%, above the Modified Budget estimate.

The 2020-2021 collection level of \$1.36 billion was \$150.7 million, or 12.5%, above the actual 2019-2020 collections of \$1.20 billion. This year-over-year increase is primarily attributable to the City receiving Tax and Revenue Anticipation Notes (TRANS) in 2020-2021 (\$130.0 million) to facilitate the pre-payment of a portion of the City's 2020-2021 retirement contributions; retirement pre-payment did not occur in 2019-2020. Additionally, the Real Property Transfer Tax did not begin until July 2020, therefore no revenue was received in 2019-2020, compared to the \$50.5 million collected in 2020-2021. Partially offsetting the higher revenues is a significant year-over-year decrease related to the Development Fee Program. Revenue totaling \$71.1 million was received in 2019-2020; however, revenue was not captured in the General Fund in 2020-2021 as these revenues (and associated expenditures) were moved out of the General Fund and into specific Development Fee Program funds. After adjusting for these significant variances, revenue in 2020-2021 increased approximately \$41.2 million (3.6%) from the prior year.

Several revenue categories experienced growth in 2020-2021 compared to the prior year, including, Other Revenue, Property Tax, Real Property Transfer Tax, Revenue from Local Agencies, Sales Tax, and Utility Tax. These increases were partially offset by declines in several categories, including Fees, Rates, and Charges, Fines, Forfeitures and Penalties, Licenses and Permits, Transient Occupancy Tax, and Use of Money and Property. As a result of the pandemic and the necessary response to protect community health and safety, economic activity was severely restricted beginning in March 2020. The immediate halt of much of daily economic activity as a result of the shelter-in-place mandate significantly impacted General Fund revenue performance for the remainder of 2019-2020. These impacts continued into 2020-2021; however, as vaccination rates increased and state and local restrictions began to ease, the local economy began to rebound, and accelerated toward the end of the fiscal year, resulting in most 2020-2021 General Fund revenue categories exceeding 2019-2020 levels.

The variances from the Modified Budget levels, implications for current year revenue estimates, and changes from prior year level are further discussed on the following pages for all significant and notable revenue categories, as well as sources with substantial variances.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

Property Tax

Property Tax	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Secured Property Tax	352,000,000	362,409,212	10,409,212	3.0%
Unsecured Property Tax	16,100,000	16,076,533	(23,467)	(0.1%)
SB 813 Property Tax	7,500,000	8,394,646	894,646	11.9%
Aircraft Property Tax	3,000,000	3,108,541	108,541	3.6%
Homeowner's Property Tax Relief	900,000	908,018	8,018	0.9%
Total	379,500,000	390,896,950	11,396,950	3.0%

The Property Tax revenue category includes Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax, Aircraft Property Tax, and Homeowner's Property Tax Relief (HOPTR). Property Tax receipts in 2020-2021 totaled \$390.9 million, which was \$11.4 million, or 3.0%, above the budgeted estimate of \$379.5 million, and represented an increase of 5.8% from 2019-2020 collections of \$369.5 million.

In 2020-2021, **Secured Property Tax** receipts continued to be the largest source of revenue in the Property Tax category. The Secured Property Tax category includes general Secured Property Tax, Educational Revenue Augmentation Fund (ERAF) revenues, and Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax. In 2020-2021, receipts totaled \$362.4 million, which is slightly higher (3.0%) than the budgeted estimate of \$352.0 million, and is 5.3% above the 2019-2020 receipts of \$344.0 million. The growth from 2019-2020 collections reflects increased general Secured Property Tax receipts (\$15.8 million) and additional ERAF revenue (\$10.1 million), partially offset by lower SARA Residual Property Tax receipts (\$7.5 million).

The general Secured Property Tax receipts growth of \$15.8 million in 2020-2021 primarily reflects an increase in assessed value, due to the California Consumer Price Index (CCPI) increase of 2%, and increased valuation due to changes in ownership or new construction. Under Proposition 13, assessed values of all real property adjust with the



GENERAL FUND REVENUE PERFORMANCE

Property Tax

CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment. On a County-wide basis, the 2020-2021 roll growth was driven primarily by changes in ownership (48.3%), change in the CCPI (27.3%), and new construction (24.0%).

In addition to the changes in assessed value, Secured Property Tax collections were positively impacted by excess ERAF revenue. ERAF collections totaled \$33.2 million in 2020-2021, which is \$10.1 million above the 2019-2020 collection level. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. In 2019-2020, the State of California notified counties that changes were being considered to the calculation formula for ERAF distributions. In February 2021, the State of California released the Excess ERAF Guidance, which included a new calculation methodology. The County revised ERAF collections based off the updated guidance and distributed the funds to City jurisdictions; however, a portion of funding was still considered "at risk" with the revised calculation, therefore, this funding was held by the County. In late July 2021, the City was notified the State had agreed with the County's updated methodology and the "at-risk" funding would be allocated to each City in late August 2021. As a result, the City of San José received an additional \$9.6 million in ERAF funding that was not expected in 2020-2021 and is captured in the General Fund 2020-2021 Ending Fund Balance/2021-2022 Beginning Fund Balance.

The final component of the Secured Property Tax category is the SARA Residual Property Tax receipts. As a result of the SARA bond refunding that occurred in December 2017, the City receives a residual property tax distribution. In 2020-2021 SARA Residual Property Tax receipts totaled \$13.6 million, which is significantly below the 2019-2020 receipts of \$21.1 million. This decrease is the result of a State of California Appellate Court decision, which revised the distribution formula related to all California residual property tax revenue from former Redevelopment Agencies. The County of Santa Clara reduced the SARA Residual Property Tax receipts in 2020-2021 to both retroactively adjust for previous disbursements and to modify the 2020-2021 allocation. Going forward, the 2021-2022 Adopted Budget includes estimated residual receipts of \$18.9 million.

In the **Unsecured Property Tax** category, collections of \$16.1 million were consistent with the 2020-2021 Modified Budget estimate, and 3.6% (\$566,000) above 2019-2020 collections of \$15.5 million.

The **SB 813 Property Tax** component represents the retroactive taxes reassessed property valuation from the period of resale to the time that the Assessor formally revalues the property. In 2020-2021, receipts of \$8.4 million were 11.9% (\$895,000) above the 2020-2021 Modified Budget estimate of \$7.5 million and were \$2.4 million, or 39.7%, above the prior year collection level of \$6.0 million.

The remaining Property Tax categories include **Aircraft Property Tax** receipts, which totaled \$3.1 million in 2020-2021, up slightly from 2019-2020 receipts of \$3.0 million; and **Homeowners Property Tax Relief** revenue, which totaled \$908,000 in 2020-2021 and was fairly consistent with 2019-2020 receipts of \$929,000.

II. GENERAL FUND BUDGET PERFORMANCE

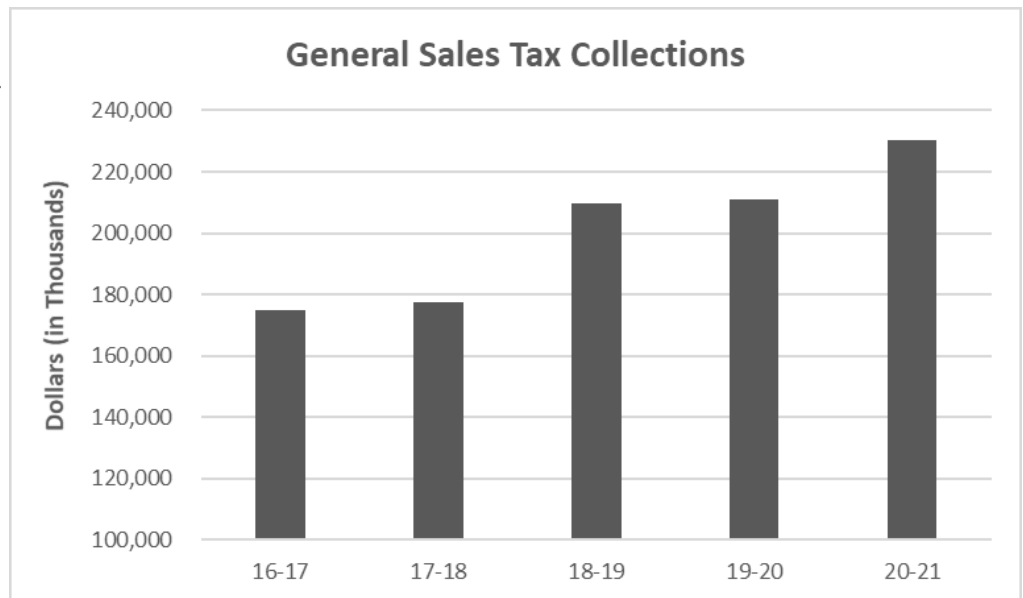
GENERAL FUND REVENUE PERFORMANCE

Sales Tax

Sales Tax	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
General Sales Tax	212,000,000	230,118,812	18,118,812	8.5%
Local Sales Tax	44,500,000	46,869,396	2,369,396	5.3%
Prop 172 Sales Tax	6,000,000	7,032,263	1,032,263	17.2%
Total	262,500,000	284,020,471	21,520,471	8.2%

The Sales Tax category includes General Sales Tax, Local Sales Tax, and Proposition 172 Sales Tax. Overall, Sales Tax collections in 2020-2021 of \$284.0 million were 8.2% (\$21.5 million) above the 2020-2021 Modified Budget and 9.0% (\$23.5 million) above the prior year level. It is important to note that 2019-2020 receipts only reflect three quarters of revenue associated with the Revenue Capture Agreement with eBay, Inc., as marketplace facilitators were not required to collect and remit sales tax until October 2020. When excluding collections associated with the Revenue Capture Agreement for both 2019-2020 and 2020-2021, overall collections grew by 5.0% in 2020-2021.

General Sales Tax revenue is the largest driver of the Sales Tax category and accounts for over 80% of all Sales Tax receipts. In 2020-2021 General Sales Tax collections totaled \$230.1 million, which was 8.5% above the 2020-2021 Modified Budget level of \$212.0 million and 9.0% above the 2019-2020 collection level. When excluding collections associated with the Revenue Capture Agreement from 2019-2020 and 2020-2021, General Sales Tax receipts grew by 4.0% in 2020-2021.



The shelter-in-place mandate that began in March 2020 as a result of the COVID-19 pandemic had a significant impact on General Sales Tax collections. Beginning in the third quarter of 2019-2020 through the second quarter of 2020-2021, General Sales Tax receipts experienced year-over-year declines ranging from 5% to 19%. Beginning in the third quarter of 2020-2021 (representing sales tax activity from January to March 2021), activity began to rebound. The final payment of the fiscal year (which represented

GENERAL FUND REVENUE PERFORMANCE

Sales Tax

April to June 2021 activity) was received at the end of August 2021 and represented the second highest General Sales Tax collection level ever. As a result of this extremely high collection level, 2020-2021 year-end receipts of \$230.1 million exceeded the estimated collection level by over \$11 million.

The City’s Sales Tax consultant, Avenu Insights & Analytics, has provided economic performance data for 2020-2021, as displayed in the following chart. This analysis measures sales tax receipts for 2019-2020 and 2020-2021, excluding Sales Tax associated with the Revenue Capture Agreement.

General Sales Tax Revenue Performance (Economic Basis)

Economic Sector	2020-2021 % of Total Revenue	2019-2020 % of Total Revenue	% Change of Revenue Re- ceived by Cate- gory
General Retail	17.8%	18.3%	(0.5%)
Business-to-Business	16.2%	17.7%	(1.5%)
Transportation	17.4%	17.1%	0.3%
Food Products	12.0%	14.2%	(2.2%)
Construction	10.5%	9.7%	0.8%
Miscellaneous	0.8%	0.5%	0.3%
County Pool	25.3%	22.5%	2.8%
Total	100.0%	100.0%	

As can be seen in the table above, General Retail (includes apparel stores, department stores, furniture/appliance stores, drug stores, recreation products, and florists/nurseries), Business-to-Business and Food Products experienced year-over-year declines. However, several other categories experienced growth, the largest of which is the County Pool, which is where the majority of online transactions are captured. This growth is attributable to the pandemic’s sustained impact of redirecting a significant amount of activity to online sales. The recent growth in County Pool receipts is facilitated by the South Dakota vs. Wayfair, Inc. Supreme Court decision in 2018, which provided states with the authority to require online retailers to collect sales tax even without a local presence in that State. The County Pool revenue is distributed to all cities within Santa Clara County based on a distribution formula administered by the CDTFA. This formula is based each quarter on each jurisdiction’s total General Sales Tax receipts divided by the Total General Sales Tax receipts for the entire County. The City typically receives between 40% - 50% of the total County Pool.

In 2021-2022, General Sales Tax collections are estimated at \$228.0 million. Due to the stronger than anticipated performance during the last quarter of 2020-2021, the 2021-2022 estimate allows for a 1% drop from the 2020-2021 collection level. First quarter 2021-2022 General Sales Tax collections (July to September 2021 activity) are anticipated to be received in late November 2021. After these receipts are received and analyzed, budgetary adjustments may be brought forward as part of the 2021-2022 Mid-Year Review for City Council consideration.

II. GENERAL FUND BUDGET PERFORMANCE

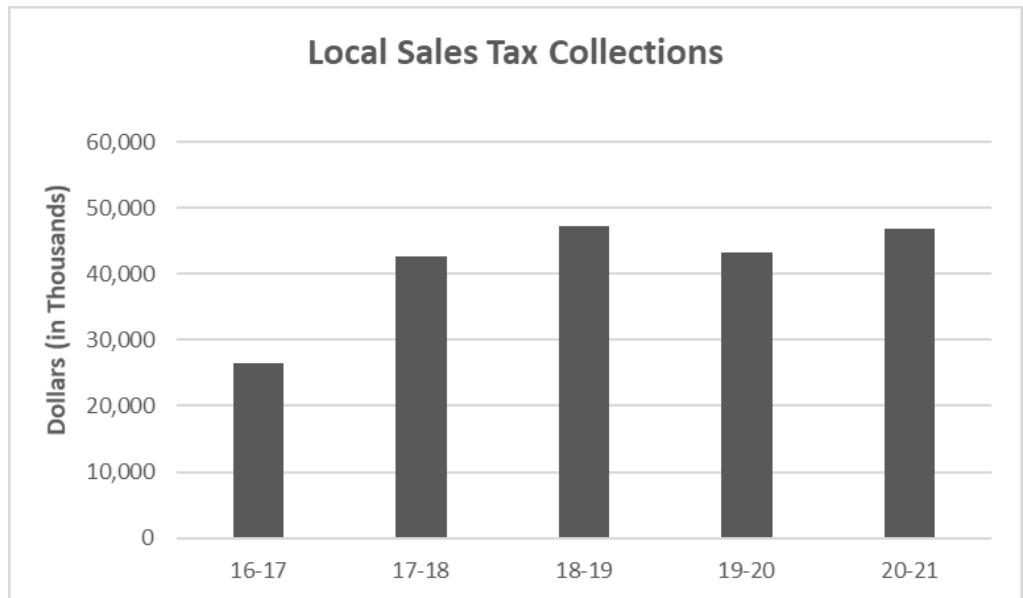
GENERAL FUND REVENUE PERFORMANCE

Sales Tax

In June 2016, San José voters approved a ¼ cent **Local Sales Tax**, which began implementation in October 2016. In 2020-2021, Local Sales Tax revenues totaled \$46.9 million, which was 5.3% above the budget estimate of \$44.5 million, and 8.6% above the prior year collection level of \$43.2 million.

As discussed above, the shelter-in-place mandate that began in March 2020 as a result of the COVID-19 pandemic had a significant impact on Local Sales Tax collections.

Beginning in the third quarter of 2019-2020 through the second quarter of 2020-2021, Local Sales Tax receipts experienced year-over-year declines ranging from 1.5% to 19%. Beginning in the third quarter of 2020-2021 (representing sales tax activity from January



to March 2021), activity began to rebound. The final payment of the fiscal year (which represented April to June 2021 activity) was received at the end of August 2021 and represented the highest Local Sales Tax collection level since the tax began in October 2016. As a result of this extremely high collection level, 2020-2021 year-end receipts of \$46.9 million exceeded the estimated revenue by almost \$3 million.

In 2021-2022, Local Sales Tax collections are estimated at \$46.9 million. Due to the stronger than anticipated performance during the last quarter of 2020-2021, the 2021-2022 estimate allows for a 2% drop from the 2020-2021 level. First quarter 2021-2022 Local Sales Tax collections (July to September 2021 activity) are anticipated to be received in late November 2021. After these receipts are received and analyzed, budgetary adjustments may be brought forward as part of the 2021-2022 Mid-Year Review for City Council consideration.

Proposition 172 Sales Tax collections represents the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs. In 2020-2021, receipts of \$7.0 million were 17.2% above the budgeted estimate of \$6.0 million and 10.6% above the 2019-2020 collection level of \$6.4 million. This performance reflects the overall Sales Tax performance throughout the State and the relative share that is attributed to San José.

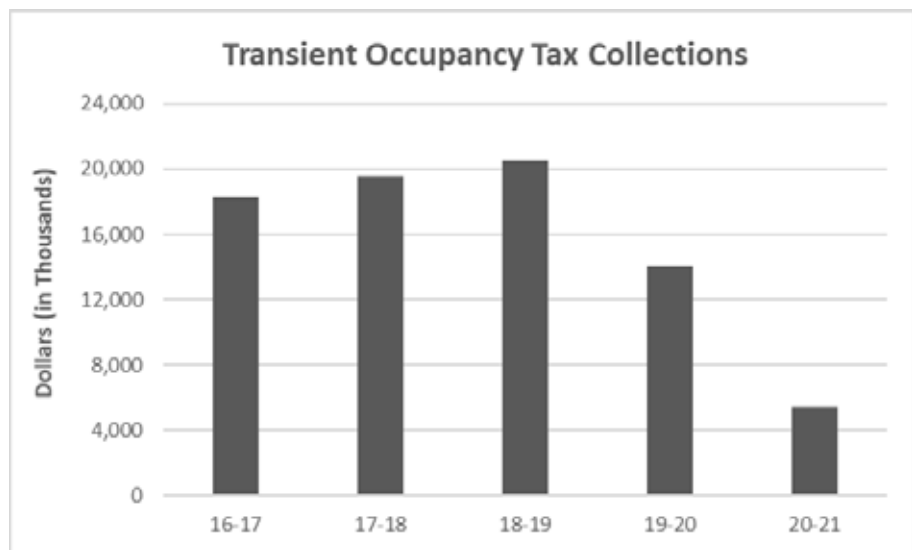
GENERAL FUND REVENUE PERFORMANCE

Transient Occupancy Tax

Transient Occupancy Tax	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Transient Occupancy Tax	5,500,000	5,409,142	(90,858)	(1.7%)
Total	5,500,000	5,409,142	(90,858)	(1.7%)

In 2020-2021, receipts of \$5.4 million for the General Fund’s portion (4.0%) of the City’s Transient Occupancy Tax (TOT) ended the year slightly below (1.7%) the 2020-2021 Modified Budget estimate of \$5.5 million. This performance level represents a significant annual decline (61.6%) relative to 2019-2020 receipts of \$14.1 million, and to 2018-2019 receipts of \$20.5 million (73.7%), highlighting the continued impacts of the pandemic on the hospitality industry. The public health threat posed by the pandemic abruptly disrupted business and leisure activity in the latter half of 2019-2020, resulting in plummeting demand for hotel rooms and revenue potential, and reaching an historic low of 15.13% occupancy in April 2020. While still suppressed relative to pre-pandemic levels, demand for hotel rooms stabilized from July 2020 to March 2021 and performance steadily improved from April 2021 through June 2021, coinciding with increased vaccination levels and the relaxation of public health restrictions. This gradual, incremental rebound was expected; however, the consistency and degree of this recent upward trajectory remain uncertain, especially as new variants of the virus emerge and continue to threaten public health.

Overall, the average room rate across the City’s reporting hotels decreased by \$78.81 (from \$181.72 to \$102.91), with average occupancy decreasing 18.4% (from 57.56% to 39.15%). Occupancy levels hovered between 30.2% and 42.5% from July 2020 to March 2021, with room rates ranging between \$95.29 and \$105.11. However, room demand and revenues began to exhibit incremental gains over



the final quarter of 2020-2021, closing at an occupancy rate of 52.31% and room rate of \$112.37 for June 2021. This incremental rebound is projected to continue into 2021-2022 under the assumption that business and leisure activities will steadily resume as public health restrictions are lifted or modified.

This volatile source of revenue will continue to be closely monitored, especially given the unprecedented impacts of COVID-19. If necessary, recommendations may be brought forward for City Council consideration at a future date, to account for evolving conditions amid the continued response to the pandemic.

II. GENERAL FUND BUDGET PERFORMANCE

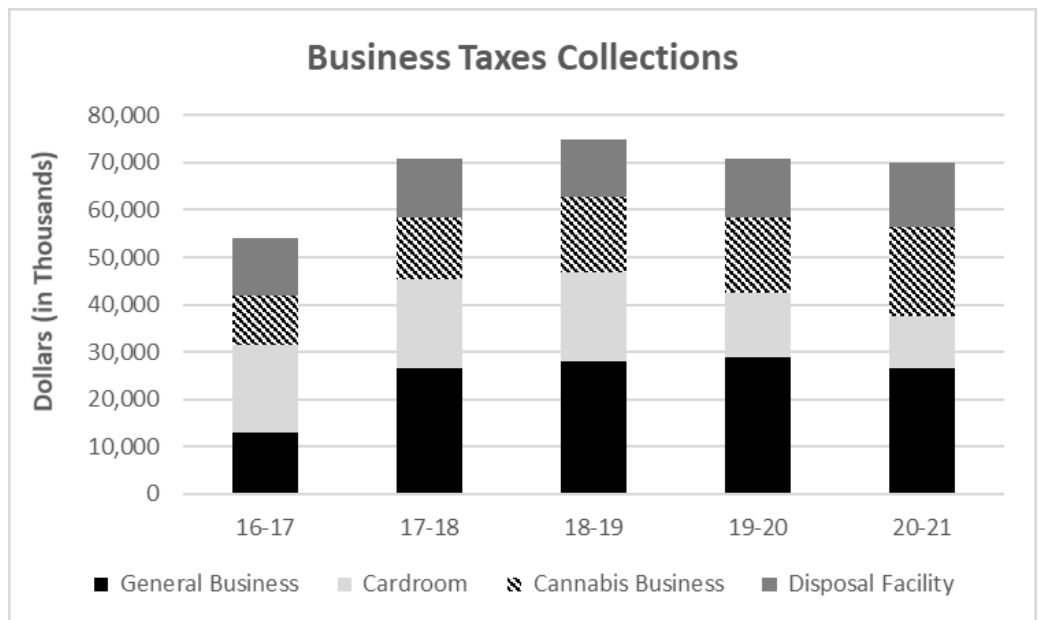
GENERAL FUND REVENUE PERFORMANCE

Business Taxes

Business Taxes	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
General Business Tax	25,700,000	26,501,774	801,774	3.1%
Cardroom Tax	8,600,000	11,072,013	2,472,013	28.7%
Cannabis Business Tax	17,000,000	18,678,707	1,678,707	9.9%
Disposal Facility Tax	12,600,000	13,783,285	1,183,285	9.4%
Total	63,900,000	70,035,779	6,135,779	9.6%

Revenues in the Business Taxes category include the General Business Tax, Cardroom Tax, Cannabis Business Tax, and Disposal Facility Tax. Overall, collections of \$70.0 million were 9.6% above the 2020-2021 Modified Budget estimate of \$63.9 million, but were slightly (-\$786,000; -1.1%) below the 2019-2020 collection level.

Beginning in 2017-2018, **General Business Tax** collections reflect the modernization of the San José business tax, which was approved by San José voters on November 8, 2016 and took effect on July 1, 2017. The adjustments to the business tax included increasing the base tax, increasing the incremental tax and making it more progressive, increasing the cap (the maximum amount of the tax affecting large



businesses), updating the application of the tax to more classes of business, and adding inflation-based adjustments for future tax rates. In 2020-2021, General Business Tax collections of \$26.5 million ended the year 3.1% above the Modified Budget estimate of \$25.7 million. In 2021-2022 revenue of \$25.7 million is anticipated, which reflects a moderate annual inflation rate change of 1.6%, offset by reduced activity levels. This revenue category will continue to be closely monitored and updated information will be included in future bi-monthly financial reports and the 2021-2022 Mid-Year Budget Review, which will be released in January 2022.

GENERAL FUND REVENUE PERFORMANCE

Business Taxes

In 2020-2021, **Cardroom Tax** collections of \$11.1 million ended the year \$2.5 million (28.7%) above the 2020-2021 Modified Budget estimate of \$8.6 million. However, this collection level represents an 18.2% decrease from the 2019-2020 collection level (\$13.5 million) and a 41.3% drop from pre-pandemic 2018-2019 receipts (\$18.9 million). As a result of the shelter-in-place mandate, cardrooms suspended operations in March 2020 and remained closed through August 2020. In September 2020, public health orders were modified to allow cardrooms to begin outdoor operations with social distancing requirements. However, cardrooms were only open for a limited period of time before further health orders by the County of Santa Clara and then subsequently the State of California resulted in the closure of cardrooms from November 30, 2020 through January 27, 2021. Since late January 2021, cardrooms have once again been operational, under modified restrictions. In 2021-2022, Cardroom Tax receipts are anticipated to grow to approximately \$20.0 million, which is inclusive of the ballot measure approved by voters in November 2020 that increased taxes on cardroom operators beginning in January 2021.

In November 2016, the California Marijuana Legalization Initiative (Proposition 64) legalized recreational cannabis use in the State of California. With this change, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018. In 2020-2021, **Cannabis Business Tax** collections, which includes recreational and medicinal cannabis, totaled \$18.7 million. The 2020-2021 collection level was \$1.7 million (9.9%) above the budgeted estimate and \$2.8 million (17.3%) above the 2019-2020 collection level.

In 2020-2021, **Disposal Facility Tax** collections of \$13.8 million were \$1.2 million (9.4%) above the 2020-2021 Modified Budget level and were \$1.3 million (10.1%) above the prior year collections of \$12.5 million. When the 2021-2022 Adopted Budget was developed, it was anticipated that 2020-2021 collections would total \$11.3 million and remain flat in 2021-2022. However, since 2020-2021 collections totaled \$13.8 million, the 2021-2022 Adopted Budget estimate allows for a 18.0% drop from the 2020-2021 actual collection level.

Utility Tax

Utility Tax	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Electricity Utility Tax	46,600,000	53,734,940	7,134,940	15.3%
Telephone Utility Tax	21,400,000	21,283,198	(116,802)	(0.5%)
Water Utility Tax	16,500,000	19,060,818	2,560,818	15.5%
Gas Utility Tax	11,300,000	12,891,887	1,591,887	14.1%
Total	95,800,000	106,970,843	11,170,843	11.7%

II. GENERAL FUND BUDGET PERFORMANCE

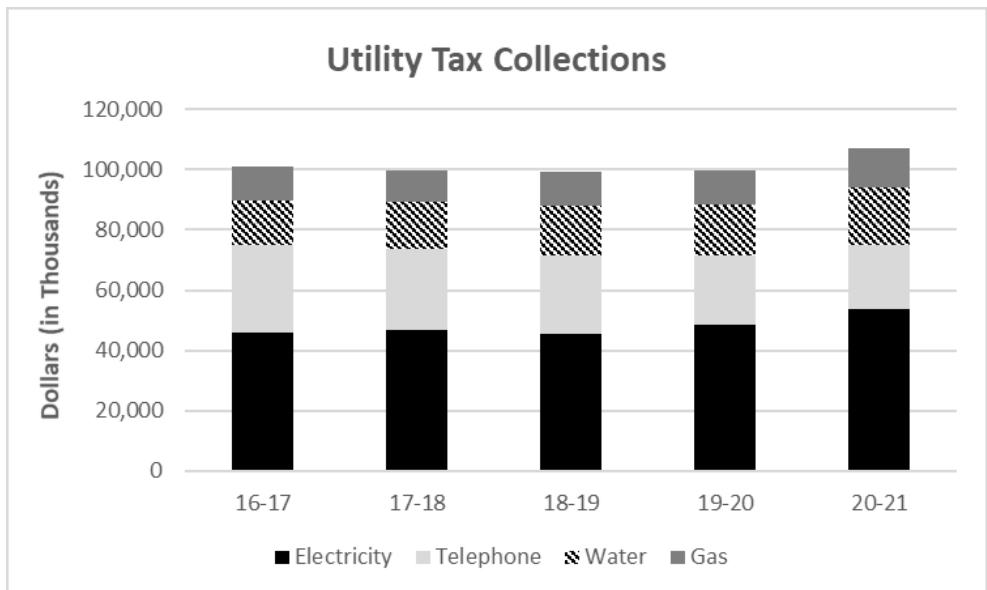
GENERAL FUND REVENUE PERFORMANCE

Utility Tax

The City assesses utility user taxes on four utilities: Electricity, Gas, Water, and Telephone. Overall, Utility Tax receipts of \$107.0 million were \$11.2 million, or 11.7%, above the 2020-2021 Modified Budget level, and were 7.5% above the 2019-2020 collection level of \$99.5 million.

Receipts in the **Electricity Utility Tax** category of \$53.7 million were 15.3% above the 2020-2021 Modified Budget level of \$46.6 million. In addition, the 2020-2021 collection level was \$5.1 million, or 10.4%, above the 2019-2020 collection level. This increase in revenue primarily reflects higher consumption and increased Pacific Gas & Electric rates. When the 2020-2021 Electricity Utility Tax was being developed, it was anticipated remote working would decrease slightly during the late spring months, which would result in lower residential electricity usage. However, the actual collection level likely exceeded the budgeted estimate due to businesses re-opening, while a large portion of remote-workers did not return to the office, which may have led to higher business and residential consumption. A portion of this revenue increase is also attributable to San José Clean Energy rates that were increased in May 2021 to address increased power supply costs.

Receipts in the **Telephone Utility Tax** category of \$21.3 million ended the year slightly (0.5%) below the budgeted estimate and \$1.4 million, or 6.2%, below the 2019-2020 collection level. Revenues in this category have been consistently declining in recent years as a result of wireless consumers shifting to less expensive prepaid



wireless plans, competition with cellular companies that keep prices down, and the shifting of wireless communications to increase reliance on data plans, which are not taxable.

Gas Utility Tax receipts of \$12.9 million were \$1.6 million (14.1%) above the budgeted estimate and \$1.7 million (14.8%) above 2019-2020 receipts. The increase in revenue primarily reflects increased consumption levels, which is likely due to a large portion of the population working from home. This category can also vary significantly from year to year based on weather conditions.

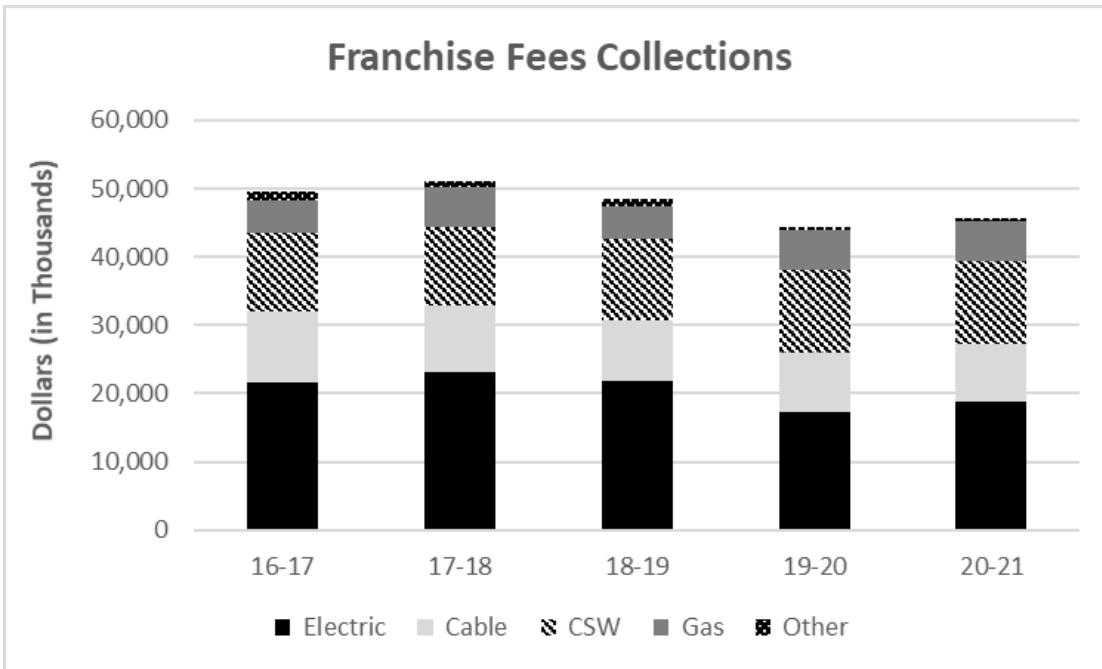
Receipts in the **Water Utility Tax** category of \$19.1 million were \$2.6 million (15.5%) above the budgeted estimate and \$2.2 million (12.7%) above the prior year collection level. The higher collection level is primarily due to the water rate increases and increased consumption levels.

GENERAL FUND REVENUE PERFORMANCE

Franchise Fees

Franchise Fees	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Electric Franchise Fee	20,000,000	18,846,499	(1,153,501)	(5.8%)
Commercial Solid Waste Franchise Fee	11,646,096	12,248,093	601,997	5.2%
Cable Franchise Fee	8,100,000	8,292,362	192,362	2.4%
Gas Franchise Fee	5,700,000	5,942,336	242,336	4.3%
Tow Franchise Fee	150,000	0	(150,000)	(100.0%)
Great Oaks Water Franchise Fee	260,000	232,301	(27,699)	(10.7%)
Nitrogen and Jet Fuel	65,000	66,698	1,698	2.6%
Total	45,921,096	45,628,289	(292,807)	(0.6%)

Franchise Fee collections of \$45.6 million were slightly (0.6%) below the 2020-2021 Modified Budget level of \$45.9 million, but were \$1.2 million (2.7%) above the 2019-2020 collection level. The lower than budgeted collections is primarily attributable to lower Electric Franchise Fee revenue (\$1.2 million below the budgeted estimate), partially offset by higher Commercial Solid Waste Franchise Fee collections (\$602,000 above the budgeted estimate), Gas Franchise Fees (\$242,000 above the budgeted estimate), and Cable Franchise Fees (\$192,000 above the budgeted estimate). In addition, it is important to note that Tow Franchise Fees were not collected in 2020-2021 due to the pandemic's impact on the City Tow program.



II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

Real Property Transfer Tax

Real Property Transfer Tax	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Real Property Transfer Tax	50,000,000	50,530,828	530,828	1.1%
Total	50,000,000	50,530,828	530,828	1.1%

On March 3, 2020, San José voters approved Measure E, the Real Property Transfer Tax. This new tax, which became effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over \$2.0 million. In 2020-2021 collections totaled \$50.5 million, which is \$531,000 (1.1%) above the budgeted estimate of \$50.0 million. In accordance with City Council Policy 1-18, Section 22, these revenues are allocated for homelessness prevention efforts and the development of new affordable housing. As described in *Section IV – Recommended Budget Adjustments and Clean-up/ Rebudget Actions* there is a recommendation to allocate the additional revenue (\$531,000) to Measure E Earmarked Reserves.

Fees, Rates, and Charges

Fees, Rates, and Charges	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
PRNS Fees	1,075,004	2,069,246	994,242	92.5%
Transportation Fees	2,324,550	1,094,478	(1,230,072)	(52.9%)
Police Fees	1,186,622	976,466	(210,156)	(17.7%)
Library Fees	224,000	34,807	(189,193)	(84.5%)
Miscellaneous Fees	3,940,526	3,267,176	(673,350)	(17.1%)
Total	8,750,702	7,442,173	(1,308,529)	(15.0%)

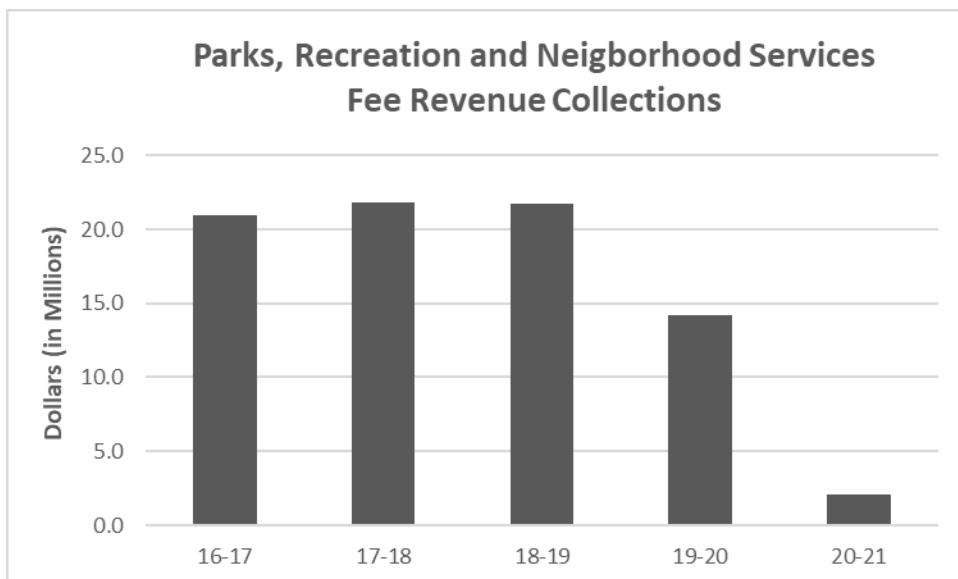
Revenues in the Fees, Rates, and Charges category include various fees and charges levied to recover costs of services provided by the several City departments. Historically, a significant portion of the revenue captured in this category were associated with Planning and Public Works development-related fees. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs were no longer captured in the General Fund, and were instead allocated to specific Development Fee Program Funds. Overall, Fees, Rates, and Charges collections of \$7.4 million were 15.0% (\$1.3 million) below the 2020-2021 Modified Budget level of \$8.8 million, and \$41.1 million (84.7%) below the 2019-2020 collection level. However, after removing the Development Fee Program revenue from 2019-2020, the year-over-year decline between 2019-2020 and 2020-2021 is reduced to \$15.3 million (-67.3%). This reduction in revenue is due to the pandemic's impact on fee-related activity, primarily within the Parks, Recreation and Neighborhood Services (PRNS) Department, which is further described on the following page.

GENERAL FUND REVENUE PERFORMANCE

Fees, Rates, and Charges

PRNS Departmental Fee revenue ended the year at \$2.1 million, which is \$994,000 above the 2020-2021 Modified Budget estimate of \$1.1 million, but significantly below the 2019-2020 collection level of \$14.2 million. PRNS

fee revenue has been deeply impacted by pandemic-related health orders. PRNS program delivery and revenue generation has experienced large declines in all fee categories, including: Happy Hollow Park and Zoo; Fee Activity (classes, camps, and after-school activities); Facility Rentals; Sports Facilities Reservations;



Lake Cunningham Action Sports Park; Gym and Fitness; Parking; Park Permits; Arcadia Ball Park; Family Camp; and Aquatics Program. In 2021-2022, as vaccine rates increase and health orders continue to ease, PRNS fee revenue is anticipated to grow to \$8.8 million. This revenue category will continue to be closely monitored and updated information will be included, as necessary, in future bi-monthly financial reports and the 2021-2022 Mid-Year Budget Review, which will be released in January 2022.

Remaining collections in the Fees, Rates, and Charges category include **Transportation Fees, Police Fees, Library Fees, and Miscellaneous Fees**. All departmental revenue ended the year below budgeted levels (ranging from \$189,000 to \$1.2 million) due to the pandemic's impact on fee-related activity. Overall, in 2021-2022 revenue collections are anticipated to grow, and will continue to be closely monitored.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Parking Fines	6,008,100	5,692,545	(315,555)	(5.3%)
Vehicle Code Fines	1,400,000	856,309	(543,691)	(38.8%)
Business License Penalties	1,000,000	1,428,673	428,673	42.9%
Administrative Citation Fines	625,000	776,370	151,370	24.2%
Other Fines and Penalties	697,000	1,006,430	309,430	44.4%
Total	9,730,100	9,760,327	30,227	0.3%

The primary sources of revenue in the Fines, Forfeitures, and Penalties revenue category are Parking Fines, Vehicle Code Fines, Business License Penalties, Administrative Citation Fines, and Other Fines and Penalties. Collections of \$9.8 million in this category were \$30,000, or 0.3%, above the 2020-2021 Modified Budget estimate of \$9.7 million, but were \$4.6 million (32.1%) below the prior year collection level. The significant decrease in year-over-year revenue is primarily due to Parking Fines, which is further described below.

Parking Fines, the largest component of this revenue category, ended the year at \$5.7 million, which is \$316,000 (5.3%) below the 2020-2021 Modified Budget estimate of \$6.0 million and \$4.4 million below 2019-2020 collections. In addition, these collection levels are far below historical Parking Fine collections of approximately \$11 million to \$12 million annually. The majority of pre-pandemic parking citation issuance was related to violations pertaining to the support of street sweeping operations, parking turnover (meters), and Residential Permit Parking areas. At the onset of the pandemic, parking citations were not issued for approximately five months, during which time a Parking Citation Fee Amnesty Program was instituted. Limited parking citation issuance resumed in mid-August 2020, and as of September 2021, parking citations are being issued for safety related and street sweeping violations city-wide, and parking meter related violations within the Downtown core are also being enforced. With the return of paid on-street parking at meters outside the Downtown core beginning in October 2021, citation issuance for parking meter related violations will resume city-wide. Additionally, in August 2021 DOT began the process of reinstating Residential Permit Parking (RPP) Zones. As more RPP zones are brought back online, parking citation issuance will be further expanded to address RPP related violations (historically, about 6% of annual issuance). Parking Compliance activities will continue to be phased in thoughtfully, addressing and prioritizing potential health and safety concerns while remaining sensitive to the community's economic concerns, as well as public health order protocols.

Business License Penalties of \$1.4 million exceeded the budgeted estimate of \$1.0 million, but was \$400,000 below the 2019-2020 collection level. **Vehicle Code Fines** ended the year at \$856,000, which was \$544,000 below the budgeted estimate, and was \$192,000 below the prior year collections. The **Administrative Citation Fines** and other remaining categories ended the year at \$1.8 million, which was \$461,000 above the budgeted level and \$362,000 above the prior year collection level.

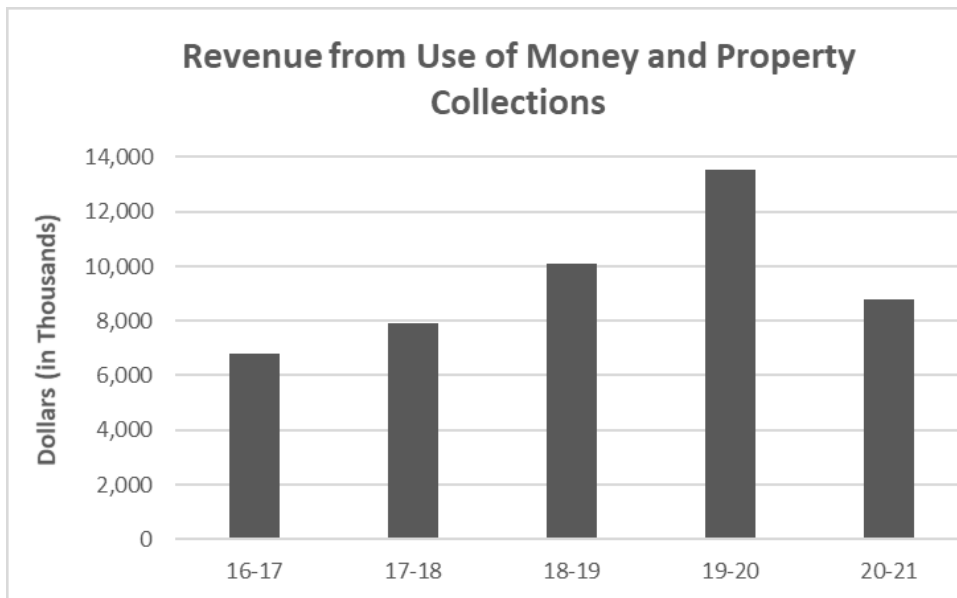
GENERAL FUND REVENUE PERFORMANCE

Revenue from Use of Money and Property

Use of Money and Property	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Interest Earnings on the General Fund	5,927,000	3,773,759	(2,153,241)	(36.3%)
City-Owned Property Rentals	2,944,800	2,432,140	(512,660)	(17.4%)
Digital Inclusion Program	1,955,000	1,459,375	(495,625)	(25.4%)
Subrogation Recovery	500,000	763,688	263,688	52.7%
Other Use of Money and Property	443,000	349,339	(93,661)	(21.1%)
Total	11,769,800	8,778,301	(2,991,499)	(25.4%)

The Use of Money and Property category primarily consists of interest income earned on the General Fund, rental income from various City properties, and subrogation recovery revenues. Collections of \$8.8 million ended the year 25.4% below the 2020-2021 budgeted estimate and 35.1% (\$4.7 million) below the 2019-2020 collection level. The lower than budgeted collection level and the decrease in year-over-year revenue is primarily attributable to lower interest earnings on the General Fund, which is the largest component of this revenue category.

Interest income of \$3.8 million was 36.3% below the budgeted level of \$5.9 million, and 52.0% below



the prior year collection of \$7.9 million. This decrease is primarily due to due to lower assumed cash balances as the City returned to pre-funding City retirement contributions in 2020-2021 and will do so again in 2021-2022, as well as lower interest earning rates.

Remaining collections in this category include **City-Owned Property**

Rentals, which ended the year \$513,000 below budgeted levels as many tenants were unable to pay rent. **Digital Inclusion Program** revenue of \$1.5 million was \$496,000 below the budgeted estimate, which reflects lower lease revenue received for City-owned light poles from wireless carriers. **Subrogation Recovery** and **Other Uses of Money and Property** ended the year \$170,000 above the budgeted levels.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

Revenue from Local Agencies

Revenue from Local Agencies	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Central Fire District	8,240,000	8,136,455	(103,545)	(1.3%)
Paramedic Program	2,800,000	3,783,011	983,011	35.1%
Police BART Reimbursement	2,246,184	2,320,912	74,728	3.3%
Other Local Agency Payments	10,005,555	6,171,596	(3,833,959)	(38.3%)
Total	23,291,739	20,411,974	(2,879,765)	(12.4%)

The Revenue from Local Agencies category contains revenue received from a variety of other local government agencies. The largest sources of revenue are the Central Fire District for fire services provided to County residents by the San José Fire Department, County of Santa Clara for the Paramedic Program, and the Valley Transportation Authority (VTA) reimbursement for police services at the Berryessa Bay Area Rapid Transit (BART) station.

Revenue collections of \$20.4 million ended the year 12.4% (\$2.9 million) below the budgeted estimate of \$23.3 million, which was primarily due to the timing of grant revenue payments. Additionally, 2020-2021 local agency revenue was \$4.8 million, or 30.3%, above the 2019-2020 collection level. The year-over-year increase in revenue is primarily attributable to the VTA reimbursement for police services at the Berryessa BART station (\$2.3 million), which was not received in 2019-2020.

In 2020-2021, the **Central Fire District** payment of \$8.1 million ended the year slightly (1.3%) below the budgeted level; however, revenue was 2.3% above the prior year collection level of \$7.95 million. These payments represent property taxes collected by the Central Fire District for areas of the County served by the San José Fire Department. The year-over-year increase of payments is due to the change in Property Tax valuation in those areas.

Reimbursement from the County of Santa Clara for the first responder advanced life support program (**Paramedic Program**) of \$3.8 million was 35.1% above the budgeted level, and 30.2% above the 2019-2020 collection level of \$2.9 million. The 2020-2021 receipts included the equipment reimbursement component (Annex B, Category A; \$1.45 million) and service-related component (Annex B, Category B; \$2.35 million) and are reflective of the Fire Department's improved response times for emergency medical service calls.

The 2021-2022 Adopted Budget included the rebudget of revenues for various local grants and reimbursements in the amount of \$809,000. In addition, rebudget and clean-up adjustments totaling \$2.1 million are recommended in this report to account for revenues that were not received 2020-2021, but are now anticipated to be received in 2021-2022. Additional information on the rebudget and clean-up of local agency revenue, as well as budget actions to recognize new grants and reimbursements are described in *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

GENERAL FUND REVENUE PERFORMANCE

Revenue from the State of California

Revenue from State of California	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Tobacco Settlement	10,200,000	11,488,518	1,288,518	12.6%
Motor Vehicle In-Lieu Tax	500,000	769,511	269,511	53.9%
State Grants	3,781,879	1,800,092	(1,981,787)	(52.4%)
Other State Revenue	6,098,276	6,676,569	578,293	9.5%
Total	20,580,155	20,734,690	154,535	0.8%

The Revenue from the State of California category contains Tobacco Settlement Revenue, State Grants, and Other State Revenue. In 2020-2021, Revenue from the State of California totaled \$20.7 million, which is slightly (0.8%) above the 2020-2021 Modified Budget estimate of \$20.6 million.

The Tobacco Settlement revenue, which is the largest revenue source in this category, totaled \$11.5 million in 2020-2021, which is approximately 13% above the budgeted estimate and the prior year collection level. State grants and other reimbursements totaled \$9.2 million; \$1.1 million below the 2020-2021 Modified Budget level, which was the result of a timing difference of many grants (and their associated expenditures).

The 2021-2022 Adopted Budget included the rebudget of revenues and associated expenditures for various State grants in the amount of \$1.1 million. In addition, rebudget and clean-up adjustments totaling \$174,000 are recommended in this report to account for revenues that were not received 2020-2021, but are now anticipated to be received in 2021-2022. Additional information on the rebudget and clean-up of State grants, as well as budget actions to recognize new grants and reimbursements are described in *Section IV - Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

Revenue from the Federal Government

Revenue from Federal Government	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
Federal Grants	8,022,531	3,733,619	(4,288,912)	(53.5%)
Total	8,022,531	3,733,619	(4,288,912)	(53.5%)

The Revenue from the Federal Government category contains various federal grants and reimbursements. In 2020-2021, Revenue from the Federal Government of \$3.7 million was \$4.3 million (53.5%) below the budgeted estimate of \$8.0 million. The negative variance from the 2020-2021 Modified Budget estimate was primarily the result of the timing of various grants (and their associated expenditures) where the work was not yet completed in 2020-2021.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND REVENUE PERFORMANCE

Revenue from the Federal Government

The 2021-2022 Adopted Budget included the rebudget of revenues and associated expenditures for various Federal grants in the amount of \$3.3 million. In addition, rebudget and clean-up adjustments totaling \$511,000 are recommended in this report to account for revenues that were not received 2020-2021, but are now anticipated to be received in 2021-2022. Additional information on the rebudget and clean-up of Federal grants, as well as budget actions to recognize new grants and reimbursements are described in *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

Other Revenue

Other Revenue	2020-2021 Budget (\$)	2020-2021 Actuals (\$)	2020-2021 Variance (\$)	2020-2021 Variance (%)
TRANS Proceeds	130,000,000	130,000,000	-	0.0%
Commercial Paper (Fire Training/EOC)	23,400,000	0	(23,400,000)	(100.0%)
City Hall Refunding	17,777,000	17,776,852	(148)	(0.0%)
Other Revenue	22,105,508	19,094,766	(3,010,742)	(13.6%)
Total	193,282,508	166,871,618	(26,410,890)	(13.7%)

The Other Revenue category contains a number of unrelated revenue sources and totaled \$166.9 million in 2020-2021, which was 13.7% below the Modified Budget estimate of \$193.3 million. The 2020-2021 collection level primarily fell short of the budgeted estimate due to the Fire Training Center and Emergency Operations Center (EOC) projects not requiring proceeds from commercial paper in 2020-2021, which is further described below.

The 2020-2021 Modified Budget included revenue of \$23.4 million related to commercial paper proceeds for the Fire Training Center and EOC projects. The Fire Training Center and EOC projects were approved by the City Council in 2020-2021 with a known shortfall of funding in the amount of \$23.4 million. This shortfall was to be funded through \$15 million of a new general obligation bond (2021A Lease Revenue Bonds) issuance, \$4.2 million of Public Safety and Infrastructure Bonds (Measure T) issuance, and \$4.2 million of property sale proceeds from Google for the existing Fire Training Center. Due to the project timelines, the 2020-2021 Modified Budget included revenue of \$23.4 million related to commercial paper proceeds to ensure sufficient funding was available for these projects in advance of the bond issuances and receipt of additional revenue that are anticipated to occur in 2021-2022. However, while the \$23.4 million Commercial Paper authorization was required to encumber the construction contract in 2020-2021, the pace of actual booked expenses did not require the use of Commercial Paper proceeds in 2020-2021. Actions are recommended in this report to rebudget the \$23.4 million of commercial paper proceeds from 2020-2021 to 2021-2022, as well as exchange the commercial paper revenue for the 2021A Lease Revenue Bond proceeds (\$15.0 million), and reallocate expenses to the Measure T Fund (\$4.2 million). Further information regarding these transactions, as well as the recognition of new grant revenues and their associated expenditures, are described in *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

GENERAL FUND REVENUE PERFORMANCE

Summary

In 2020-2021, total revenue received in the General Fund was \$1.36 billion. This collection level was within 0.9%, or \$12.6 million, of the 2020-2021 Modified Budget. After adjusting for reconciling items, rebudgets, and other clean-up actions, revenues ended the year \$41.7 million (3.1%) above the Modified Budget estimate. This is an extremely small variance given the diversity of over 450 City revenues, the overall size of the General Fund, the uncertainty created by the pandemic.

The 2020-2021 collection level of \$1.36 billion was \$150.7 million, or 12.5%, above the actual 2019-2020 collections of \$1.20 billion. This year-over-year increase is primarily attributable to the City receiving Tax and Revenue Anticipation Notes (TRANs) in 2020-2021 (\$130.0 million) to facilitate the pre-payment of a portion of the City's 2020-2021 retirement contributions; retirement pre-payment did not occur in 2019-2020. Additionally, the Real Property Transfer Tax did not begin until July 2020, therefore no revenue was received in 2019-2020, compared to \$50.5 million collected in 2020-2021. Partially offsetting the higher revenues is a significant year-over-year decrease related to the Development Fee Program. Revenue totaling \$71.1 million was received in 2019-2020; however, revenue was not captured in the General Fund in 2020-2021 as these revenues (and associated expenditures) were moved out of the General Fund and into specific Development Fee Program funds. After adjusting for these significant variances, revenue in 2020-2021 increased approximately \$41.2 million (3.6%) from the prior year.

As a result of the pandemic and the necessary response to protect community health and safety, economic activity was severely restricted beginning in March 2020. The immediate halt of much of daily economic activity as a result of the shelter-in-place mandate significantly impacted General Fund revenue performance for the remainder of 2019-2020. These impacts continued into 2020-2021; however, as vaccination rates increased and state and local restrictions began to ease, the local economy began to rebound, and accelerated toward the end of the fiscal year, resulting in most 2020-2021 General Fund revenue categories exceeding 2019-2020 levels.

Due to continued uncertainty regarding the long-term impacts the pandemic will have on the local economy, the Administration will continue to actively monitor economic indicators and revenues in 2021-2022 through the Bi-Monthly Financial Report and the Mid-Year Budget Review process, and return to the Mayor and City Council with recommendations for any revisions, if necessary.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

The General Fund expenditure performance for 2020-2021 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

TABLE B
2020-2021 GENERAL FUND EXPENDITURE SUMMARY
COMPARISON OF BUDGET TO ACTUAL
2020-2021

Category	Modified Budget*	2020-2021 Actual**	Variance	% Variance
Personal Services	\$ 878,284,373	\$ 871,751,515	\$ (6,532,858)	(0.7%)
Non-Personal/Equipment/Other ¹	175,324,867	151,741,786	(23,583,081)	(13.5%)
City-Wide Expenses	328,350,544	274,241,519	(54,109,025)	(16.5%)
Capital Contributions	130,568,593	54,892,934	(75,675,659)	(58.0%)
Transfers	80,825,604	80,825,604	0	0.0%
Reserves	196,233,945	0	(196,233,945)	(100.0%)
TOTAL GENERAL FUND	\$ 1,789,587,926	\$ 1,433,453,358	\$ (356,134,568)	(19.9%)

* 2020-2021 appropriations as modified by Council through June 30, 2021, and 2019-2020 carryover encumbrances.

** Actual 2020-2021 expenses plus encumbrances.

As shown in Table B, General Fund expenditures and encumbrances through June 30, 2021 of \$1.43 billion were \$356.1 million, or 19.9%, below the modified budget total of \$1.79 billion. Approximately 55% of this savings was generated from unspent reserves (\$196.2 million), with the remaining savings generated from expenditure appropriations. Total 2020-2021 expenditures and encumbrances were \$217.6 million, or 17.9%, above the 2019-2020 level of \$1.2 billion. This variance is due to higher City-Wide Expenses (\$179.2 million), Transfers (\$31.9 million), Personal Services (\$11.1 million), and Capital Contributions (\$1.3 million), partially offset by lower Non-Personal/Equipment/Other (\$5.9 million).

¹ The “Other” category expenditures are primarily comprised of budgets for the Mayor and City Council as well as the Parks, Recreation and Neighborhood Services fee activities program.

GENERAL FUND EXPENDITURE PERFORMANCE

Overview

As shown in Table C, the actual General Fund expenditures of \$1.4 billion were approximately \$36.3 million (2.5%) below the estimate used in the development of the 2021-2022 Adopted Budget. A portion of these savings (\$4.6 million) was carried over to 2021-2022 with the accompanying revenue for grant or reimbursement-related projects and programs, bringing the variance down to \$31.7 million. In addition, actions totaling \$12.2 million are recommended in this report to reflect clean-up adjustments. After accounting for these technical actions, the remaining General Fund expenditures savings totaled \$19.5 million, or 1.1% of the modified budget.

**TABLE C
2020-2021 EXPENDITURE ESTIMATE TO ACTUAL VARIANCES**

	2020-2021 Estimate	2020-2021 Actual	\$ Variance	% Variance
Expenditures	\$1,469,756,872	\$1,433,453,358	\$(36,303,514)	(2.5%)

These net expenditure savings, when combined with the net variance associated with the General Fund revenues and higher than anticipated liquidation of prior year encumbrances, represent the additional ending fund balance that is available for allocation in 2021-2022. Specifically, as discussed earlier in this report, in 2021-2022, a total of \$61.6 million in additional fund balance is available, which is comprised of higher than estimated revenues of \$41.7 million (3.1%), net expenditure savings of \$19.5 million (1.1%), and higher than estimated liquidation of prior year encumbrances (\$458,000). Recommendations on the allocation of these additional funds are provided elsewhere in this report.

Following is a review of the General Fund expenditure categories, including a discussion of variances to the modified budget as well as a comparison to the prior year.

Personal Services expenditures of \$871.8 million ended the year \$6.5 million (0.7%) below budgeted levels, but \$11.1 million (1.3%) above the 2019-2020 expenditure levels of \$860.6 million. Expenditures in both years ended the year below the budget primarily as the result of position vacancy savings throughout the organization. Departments with the highest variances in 2020-2021 include the following: Police Department (\$1.9 million), Planning, Building and Code Enforcement Department (\$1.3 million); Information Technology Department (\$1.2 million), and Parks, Recreation and Neighborhood Services Department (\$1.0 million).

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Overview

Non-Personal/Equipment/Other expenditures of \$151.7 million ended the year \$23.6 million (13.5%) below budgeted levels, and \$5.9 million (3.7%) below the 2019-2020 expenditure level of \$157.6 million. The departments with the largest Non-Personal/Equipment/Other variances included: Parks, Recreation and Neighborhood Services Department (\$3.3 million, including Fee Activities); Police Department (\$2.8 million); City Manager's Office (\$2.5 million); and Information Technology Department (\$2.0 million). The Mayor and City Council appropriations also ended the year \$5.0 million below the modified budget. The majority of the Non-Personal/Equipment/Other savings were rebudgeted to 2020-2021 as part of the 2021-2022 Adopted Budget (\$13.3 million) or are recommended to be rebudgeted in the Annual Report (\$872,000), resulting in net savings of \$9.4 million.

In the City-Wide Expenses category, expenditures and encumbrances of \$274.2 million ended the year \$54.1 million below the budgeted level of \$328.4 million. Of this amount, \$35.4 million was assumed as savings in 2020-2021 and rebudgeted to 2021-2022, including \$4.5 million that was offset by revenue sources. Of the remaining balance of \$18.7 million, rebudget adjustments totaling \$7.7 million are recommended in this report, and if approved, would result in net savings of \$11.0 million in this category, a 3.4% variance from the budgeted level. The 2020-2021 City-Wide Expenses were \$179.2 million above the 2019-2020 expenditure level of \$95.0 million, which is primarily due to the Tax and Revenue Anticipation Notes (TRANs) Debt Service payment that totaled \$131.6 million in 2020-2021, but was not included in 2019-2020 as the prefunding of employer retirement contributions did not occur that year.

In the Capital Contributions category, expenditures of \$54.9 million ended the year \$75.7 million below the budgeted level of \$130.6 million. A total of \$73.1 million was rebudgeted to 2021-2022 in the Adopted Budget, with a remaining savings amount available of \$2.6 million. As part of this report, additional rebudget adjustments totaling \$1.6 million are recommended, reducing the Capital balance to \$991,000. The 2020-2021 expenditure level of \$54.9 million was \$1.3 million above the 2019-2020 level of \$53.6 million.

The Transfers category expenditures of \$80.8 million ended the year at the budgeted amount.

The largest single category of remaining funding available in 2020-2021, as planned, is the Reserves category (\$196.2 million), including Earmarked Reserves (\$137.9 million), the 2020-2021 Ending Fund Balance Reserve (\$18.4 million), and the Contingency Reserve (\$40.0 million). No reductions to the \$40.0 million Contingency Reserve occurred in 2020-2021.

GENERAL FUND EXPENDITURE PERFORMANCE

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 expenditures (\$1.0 billion) represented over 70% of the total 2020-2021 General Fund expenditures. As can be seen in Table D on the following page, all departments with the exception of the

Independent Police Auditor remained within their total budget allocation and expended a cumulative 97.1% of their budgets, generating overall savings of \$30.1 million (2.9%). Of this amount, \$14.5 million was rebudgeted in the 2021-2022 Adopted Budget; and additional rebudgets of \$1.2 million are recommended in this report, leaving a balance of \$14.4 million. Of this balance amount, \$5.6 million was assumed as savings in the development of the 2021-2022 Ending Fund Balance estimate, resulting in a balance of \$8.8 million.

Of the 19 City departments/offices, 15 had expenditure savings of less than \$1.0 million or 10.0% of their budget. The remaining four departments/offices had expenditure savings in excess of \$1 million and 10% of their budget in 2020-2021, and included the following: City Manager; Information Technology; Mayor and City Council; and Planning, Building and Code Enforcement. Those departments with General Fund expenditure variances of over 10.0% and \$1.0 million are discussed in detail in the following section. In addition, the year-end status of expenditures for both the Police and Fire Departments is also summarized.

Non-Departmental expenditures totaled \$410.0 million, or approximately 29% of the total 2021-2022 General Fund expenditures. The unexpended balance at year-end totaled \$326.0 million; reserves of \$196.2 million represent the largest portion of unexpended funds and were almost entirely carried over or used in the 2021-2022 Adopted Budget as planned. Excluding reserves, a balance of \$129.8 million remained in this category at year-end. In the 2021-2022 Adopted Budget, \$108.4 million was rebudgeted in the City-Wide Expenses and Capital Contributions categories. Additional rebudget adjustments in these categories totaling \$9.3 million are recommended in the 2020-2021 Annual Report, resulting in total unexpended funds of \$12.0 million.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Review of General Fund Expenditure Performance

**TABLE D
TOTAL GENERAL FUND EXPENDITURES**

Departmental	2020-2021 Modified Budget	2020-2021 Expenditures	\$ Variance	% Variance
City Attorney	\$ 18,170,297	\$ 17,933,550	\$ (236,747)	(1.3%)
City Auditor	2,277,982	2,257,868	(20,114)	(0.9%)
City Clerk	3,005,495	2,895,748	(109,747)	(3.7%)
City Manager	20,355,005	17,595,816	(2,759,189)	(13.6%)
Economic Development	7,081,382	6,178,892	(902,490)	(12.7%)
Environmental Services	4,625,430	4,318,068	(307,362)	(6.6%)
Finance	20,331,979	18,696,904	(1,635,075)	(8.0%)
Fire	241,900,508	241,031,662	(868,846)	(0.4%)
Housing	860,033	366,125	(493,908)	(57.4%)
Human Resources	10,399,296	10,044,043	(355,253)	(3.4%)
Independent Police Auditor	1,512,602	1,514,990	2,388	0.2%
Information Technology	27,944,044	24,740,821	(3,203,223)	(11.5%)
Library	36,386,377	35,883,249	(503,128)	(1.4%)
Mayor and City Council	18,787,276	13,788,431	(4,998,845)	(26.6%)
Parks, Recreation & Neighborhood Services	77,439,628	73,081,314	(4,358,314)	(5.6%)
Planning, Building & Code Enforcement	17,092,158	14,755,558	(2,336,600)	(13.7%)
Police	470,357,548	465,689,595	(4,667,953)	(1.0%)
Public Works	37,146,675	37,084,003	(62,672)	(0.2%)
Transportation	37,935,525	35,636,664	(2,298,861)	(6.1%)
Subtotal	1,053,609,240	1,023,493,301	(30,115,939)	(2.9%)
Non-Departmental				
City-Wide Expenses	328,350,544	274,241,519	(54,109,025)	(16.5%)
Capital Contributions	130,568,593	54,892,934	(75,675,659)	(58.0%)
Transfers	80,825,604	80,825,604	-	0.0%
Earmarked Reserves	137,858,945	-	(137,858,945)	(100.0%)
Contingency Reserve	40,000,000	-	(40,000,000)	(100.0%)
Ending Fund Balance Reserve	18,375,000	-	(18,375,000)	(100.0%)
Subtotal	735,978,686	409,960,057	(326,018,629)	(44.3%)
TOTALS	\$ 1,789,587,926	\$ 1,433,453,358	\$ (356,134,568)	(19.9%)

GENERAL FUND EXPENDITURE PERFORMANCE

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.

Police Department

On an overall basis, Police Department expenditures totaled 465.7 million, or 99.0% of its General Fund budget of \$470.4 million, including encumbrances, resulting in savings of \$4.7 million. Of this savings, a large portion (\$2.4 million) was rebudgeted as part of the 2021-2022 Adopted Budget.

Personal Services expenditures totaled \$432.7 million (99.6% expended) with a savings of \$1.6 million after accounting for rebudgets, which closely aligned to year-end estimates and budget actions to increase Personal Services funding by \$12.0 million. Prior to these adjustments, Personal Services expenditures were estimated to exceed budgeted levels by 2-3% due to: lower than anticipated vacancies and relatively strong recruit academies; costs associated with the recently approved San Jose Police Officers' Association (SJPOA) bargaining unit agreement; and, elevated overtime usage and payouts.

The Department continued to experience elevated sworn overtime usage and payouts during 2020-2021, with expenditures of \$44.5 million accounting for 112.8% of the Police Department's 2020-2021 Modified Budget for overtime of \$39.4 million. Overtime expenditures exceeded the budget primarily due to the backfilling of vacant sworn street-ready positions with existing staff. However, year-to-date expenditures were 2.2% below 2019-2020 levels, indicating incremental year-over-year progress with efforts to moderate the use of overtime. The Police Department's cost containment measures for overtime use are discussed in greater below.

A total of \$33.0 million (92.1%) of the Police Department's Non-Personal/Equipment budget (including encumbrances) was expended, generating savings of \$2.8 million. Excluding the remaining balances for centrally-determined details (\$1.1 million), which include electricity, gas, and water utilities, as well as vehicle operations, maintenance and replacement, the Police Department ended the year with approximately \$1.7 million, or 4.7%, of its Non-Personal/Equipment appropriation remaining, with the entirety of this balance rebudgeted as part of the Adopted Budget for activities continuing into 2021-2022.

Overtime consists of overtime expenditures and compensatory time. The Memorandum of Agreement (MOA) with the Police Officer's Association (POA) limits how much overtime can be earned for pay versus compensatory time. The Police Department continues to diligently work to fill vacancies in both sworn and civilian positions, using vacancy savings and the \$6.75 million in one-time funding from the Sworn Hire Ahead Program to pay for Police Academy Recruits; however, academy and field training of new recruits takes 10-12 months, necessitating overtime to backfill until the new recruits are ready to serve as solo beat officers. Vacancy levels have also contributed to the build-up of compensatory time balances for sworn personnel, for which there is a limit of 480 hours after which sworn personnel are paid in overtime for any additional hours worked.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

The compensatory time balance at the end of June 2021 was 356,155 hours for sworn personnel (\$27.1 million). This represents an increase of 20,994 hours or 6.3%, compared to the June 2020 balance of 335,160.

As of June 2021, out of 1,010 street-ready sworn officers, 448 sworn personnel had reached the 480-hour limit, an increase of 6.4% compared to 421 sworn personnel as of June 2020 – all overtime worked by these employees is paid as overtime. A total of 271 sworn personnel were between 240 hours and 480 hours, compared to the 254 sworn personnel as of June 2020, an increase of 6.7%.

Year-to-date overtime expenses attributable to staff that reached the 480-hour compensatory accrual limit through June 2021 was \$19.9 million (268,275 hours), compared to \$16.6 million in June 2020 (221,923 hours), a 20% increase in expenditures. This increase was largely driven by the backfilling of recruits, unplanned overtime in response to protests, response to wildfires in the summer of 2020, preparations for demonstrations surrounding the contentious presidential election, increased investigations, and side show enforcement.

The Police Department is enforcing compensatory time controls by requiring all sworn staff, outside of the Bureau of Field Operations (BFO), to reduce compensatory time balances by the end of the calendar year, or to submit a request for an extension, per the MOA. In addition, the Police Department has implemented overtime and compensatory time approvals to slow, and eventually reduce, compensatory time balance growth, including revisions for BFO approvals to the extent possible.

As an example, the Chief of Police issued a department-wide memorandum in May 2021 to place additional controls on the use of overtime and compensatory time that included, but were not limited to: clarifying the definition of mandatory overtime as limited to work that must be completed immediately and cannot be done on an employee's regular shift or their next work shift; prohibiting the use of discretionary overtime unless approved by a Captain/Division Manager or higher rank; requiring that report-writing and follow-up overtime be approved by a Lieutenant or above and only when the action cannot be completed on duty or on the employee's next shift; and requiring Captains/Division Managers to submit a quarterly memorandum to the Department's Executive Officer justifying the use of overtime in their divisions.

Finally, an internal working group will be established – comprised of varying ranks of sworn personnel, fiscal personnel, and other civilian staff – tasked with identifying approaches to further increase the controls surrounding compensatory time liability. These actions, as well as the other recommendations included in the *Police Staffing, Expenditures, and Workload* audit report are intended to address, slow, and reverse the growth of overtime and compensatory time use.

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

The table below provides a summary of sworn staffing vacancies and street-ready officers. While the sworn positions are almost filled, there is still a significant gap between filled positions and street-ready officers, with the Sworn Hire Ahead program squarely aimed at closing this gap and mitigating expected vacancies due to retirements and other separations. Of the 1,159 authorized sworn staff, 75 were in training (6.5%) as of June 2021, leaving 1,085 street ready sworn positions available (this includes sworn employees on disability/modified duty/other leaves) when also accounting for vacancies as shown in the chart below. Excluding sworn employees on disability/modified duty/other leaves, 1,009 sworn officers were actively deployed as of June 25, 2021.

	2019-2020 (as of 06/26/2020)	2020-2021 (as of 06/25/2021)
Authorized Sworn Positions	1,151	1,159
Vacancies	(15)	(0)
Filled Sworn Positions	1,136	1,160¹
Field Training Officer/Recruits	(109)	(75)
Street-Ready Sworn Officers Available	1,027	1,085
Disability/Modified Duty/Other Leaves	(73)	(76)
Street-Ready Sworn Officers Working	954	1,009

The Police Department completed or began several academies over the past year, including February/June 2020 (55 recruits), October 2020 (51 recruits) and February 2021 (42 recruits). Due to the pandemic, the February 2020 Academy was suspended in March 2020 and resumed in late June. This academy graduated in February 2021 and the October 2020 academy graduated in May 2021. The February 2021 academy is anticipated to graduate in September 2021 (42 recruits). To fill the vacant sworn positions and put more Police Officers back on patrol, the Department conducted an additional Police Recruit Academy in 2020-2021, with the June 2021 academy consisting of 32 recruits.

Fire Department

Overall, the Fire Department expended \$241.0 million (99.6%) of its 2020-2021 General Fund budget (\$241.9 million), resulting in minimal savings of \$863,000. The Fire Department's Personal Services appropriation of \$231.5 million ended the year \$648,168 over-budget due to an extremely active fire season in the summer and fall of 2020 and overtime to backfill sworn absences on the line due to the pandemic (approximately \$1.1 million). The costs incurred from mutual aid, Strike Team, and Task Force 3 deployments is being reimbursed by the State of California and Federal Emergency Management Agency (approximately \$5.4 million). The Fire Department's Non-Personal/Equipment allocation of \$10.9 million was 88.83% expended or encumbered through the end of the year.

¹ Due to the Hire Ahead Program, as of June 25, 2021, the Police Department temporarily exceeded the budgeted sworn staffing.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

The Department's Personal Services coverage was included in the Adoption of an Ordinance Ratifying Final Expenditures in Various Appropriations for 2020-2021 and Adoption of the Associated Appropriation Ordinance and Funding Sources Resolution Amendments in 2020-2021 memorandum that was approved by the City Council on September 28, 2021. As part of this memorandum, revenue from the State of California for the reimbursement for mutual aid and Strike Team deployments was recognized and the Fire Department's Personal Services Budget was increased accordingly.

Overall, the average sworn vacancy rate of 3.68% through June 2021 is slightly higher than the vacancy rate of 3.66% experienced this time last year, and above the budgeted rate of 2.5%. The current fire fighter academy for 2020-2021 began in April 2021 and will conclude in September 2021 with total of 22 graduates.

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

Fire Department's Annual Vacancy and Absence Rates and Their Impact on Overtime

Since the release of a 2001 Overtime Audit, information is provided on the Fire Department's annual vacancy and absence rates and their impact on overtime usage. Through 2011-2012, this information was reported to the Public Safety, Finance and Strategic Support (PSFSS) Committee. The Administration's recommendation to incorporate the Fire Department's annual vacancy and absence rates and their impact on overtime into the Annual Report was approved by the PSFSS Committee on March 21, 2013.

Overtime funding and relief staffing levels are reviewed annually to ensure they are appropriately measured, funded, and managed for sworn minimum staffing requirements. Understanding absence and vacancy rates is important as absence rates are a major personal services cost driver and the associated impact on overtime requires close departmental management.

In 2020-2021, the Department maintained 186 daily minimum line positions to staff all fire companies at 33 operating fire stations. Daily absences and/or vacant positions are backfilled by available relief personnel or off-duty personnel are called in to work (on overtime). Maintaining this daily minimum staffing level optimized operational effectiveness and was in conformance with the Memorandum of Agreement between the City of San José and International Association of Firefighters (IAFF), Local 230.

Total absence hours of 383,071 in 2020-2021 increased by approximately 17.0% from 327,335 in 2019-2020.

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

There was an overall increase in each type of absence that consists of vacation, sick leave, disability, modified duty, and administrative leave due to COVID-19 (13.4% - vacation, 7.8% - sick leave, 19.4% - disability, 74.5% - modified duty). Vacancy hours continue to decrease from 77,952 in 2019-2020 to 76,832 in 2020-2021 with the total vacancy rate remaining steady at 3.9%. In 2020-2021, the combined absence and vacancy rates were 23.6%, requiring 459,722 hours of backfill².

City Manager

With 2020-2021 expenditures of \$16.9 million, including encumbrances, the City Manager's Office (CMO) expended 91.7% of their \$18.4 million General Fund budget, resulting in savings of \$1.5 million. Personal services expenditures were 98.4% expended with savings of \$235,000, which is primarily attributable to several vacancies over the course of the year in the Office of Racial Equity (ORE) and Office of Emergency Management (OEM). It is important to note that ORE is fully staffed. Active recruitments for some of these positions were put on hold due to the City's COVID-19 response, but recruitments for the ORE positions have resumed in 2021-2022. The estimated remaining savings in personal services (\$300,000) was rebudgeted as part of the 2021-2022 Adopted Budget for temporary staffing support in the Office of Administration, Policy and Intergovernmental Relations and Office of Racial Equity. However, the rebudget exceeded the remaining balance for 2020-2021; therefore, to accurately rebudget the actual remaining balance, a negative rebudget of \$65,000 is included in this report.

Non-personal/equipment expenditures ended the year 62.8% or \$1.3 million below the budgeted level of \$3.5 million, including encumbrances. A large portion of the non-personal/equipment savings (\$1.0 million) was rebudgeted as part of the 2021-2022 Adopted Budget for projects currently underway in ORE, OEM, and the Office of Civic Innovation. Of the \$1.0 million rebudgeted, \$80,000 was reallocated to the Office of the City Clerk to support interpretation costs at City Council and Committee meetings. A total of \$298,845 of non-personal/equipment savings is recommended to be rebudgeted to personal services as part of this report to help support the transition of the City Manager and for OEM positions funded by the Urban Areas Security Initiative Grant.

Information Technology

Information Technology Department (ITD) expenditures, including encumbrances, totaled \$24.7 million in 2020-2021. This expenditure level is \$3.2 million, or 11.5%, below the budgeted level of \$27.9 million. Personal services expenditure savings (including fee activity) totaled \$1.2 million in 2020-2021, which was due to vacancies throughout the department.

² In 2018-2019, combined impact of absence and vacancy hours required 414,507 hours of backfill.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

At the end of 2020-2021, 15 of the Department’s 88 budgeted positions were vacant. Non-personal/equipment expenditures and encumbrances totaling \$10.7 million ended the year \$2.0 million below the budgeted level; the savings were the result of lower spending across several categories, including technology projects, upgrades, and inventory replenishment. A portion of these savings (\$1.0 million) were rebudgeted as part of the 2021-2022 Adopted Budget for the Cybersecurity Roadmap, Windows 10 Enterprise and PC’s Upgrade, and IT Project Management projects. After accounting for the rebudgets captured in the 2021-2022 Adopted Budget, remaining non-personal/equipment savings totaled \$1.0 million.

Mayor and City Council

With total expenditures and encumbrances of \$13.8 million, the Mayor’s Office, the City Council Offices, and Council General expended 73% of their total General Fund budgets of \$18.8 million, resulting in savings of \$5.0 million at year-end. Of the total savings, \$3.6 million was realized in the City Council Offices, \$1.4 million was realized in the Mayor’s Office, and \$2,900 was realized in Council General as outlined on the following page:

2020-2021 Actual Expenditure Performance

	2020-2021 Modified Budget	2020-2021 Actuals	Variance
Council District 1	\$ 1,330,573	\$ 872,257	\$ 458,316
Council District 2	980,302	920,555	\$ 59,747
Council District 3	1,000,638	904,713	\$ 95,925
Council District 4	2,096,408	1,384,019	\$ 712,389
Council District 5	1,343,809	834,581	\$ 509,228
Council District 6	1,257,242	736,589	\$ 520,653
Council District 7	1,156,929	775,141	\$ 381,788
Council District 8	1,024,097	883,210	\$ 140,887
Council District 9	1,305,178	814,079	\$ 491,099
Council District 10	1,077,502	821,633	\$ 255,869
Mayor’s Office	6,142,973	4,772,928	\$ 1,370,045
Council General	71,625	68,726	\$ 2,899
	\$ 18,787,276	\$ 13,788,431	\$ 4,999,844

In the 2021-2022 Adopted Budget, anticipated 2020-2021 savings of \$4.6 million (\$3.4 million in the City Council Offices, \$1.2 million in the Mayor’s Office) were rebudgeted. Actual year-end savings, however, exceeded these estimates. Based on year-end performance, additional rebudgets totaling \$442,000 are recommended in this document.

GENERAL FUND EXPENDITURE PERFORMANCE

Discussion of Significant Departmental Variances and Other Issues

Planning, Building and Code Enforcement

The Planning, Building and Code Enforcement Department (PBCE) ended the year at \$14.7 million, which is \$2.3 million below the 2020-2021 Modified Budget level of \$17.0 million. After accounting for rebudgets included in the 2020-2021 Adopted Operating Budget (\$539,600), the resulting net variance for the department totals \$1.2 million.

Personal services expenditures in 2020-2021 totaled \$12.9 million, which represents 91.1% of the 2020-2021 Modified Budget level of \$14.1 million. This savings is primarily the result of vacant Code Enforcement Inspector positions in the Multiple Housing and Solid Waste Code Enforcement Programs. During 2020-2021, PBCE experienced vacancy rates ranging from 15% to 20% throughout the year as the Department continued to face challenges to attract and retain qualified candidates.

The Non-Personal/Equipment 2020-2021 expenditures totaled \$1.9 million, which is \$1.0 million below the 2020-2021 Modified Budget of \$2.9 million. Approximately \$539,400 was anticipated and rebudgeted as part of the 2021-2022 Adopted Budget, bringing the variance down to \$500,000. This non-personal/equipment savings is primarily due to policy and program work that was delayed due to the County of Santa Clara's public health orders in response to the COVID-19 pandemic. The remaining savings is due, in part, to contractual services, software license and maintenance, and consultant services. A rebudget of \$200,000 is included in this report for the code enforcement consultant study, resulting in a net variance of \$300,000.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Highlights of Non-Departmental Expenditures and Variances

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

TABLE E
2020-2021 NON-DEPARTMENTAL GENERAL FUND EXPENDITURES
(In \$000s)

Category	2020-2021 Modified Budget	2020-2021 Actual	Variance	% Variance
City-Wide Expenses	\$ 328,350,544	\$ 274,241,519	\$ (54,109,025)	(16.5%)
Capital Contributions	130,568,593	54,892,934	(75,675,659)	(58.0%)
Transfers	80,825,604	80,825,604	-	0.0%
Earmarked Reserves	137,858,945	-	(137,858,945)	(100.0%)
Contingency Reserve	40,000,000	-	(40,000,000)	(100.0%)
Ending Fund Balance Reserve	18,375,000	-	(18,375,000)	(100.0%)
TOTAL	\$ 735,978,686	\$ 409,960,057	\$ (326,018,629)	(44.3%)

City-Wide Expenses

The City-Wide Expenses category consists of funding that is related to more than one department or that is not directly associated with a department's ongoing operations. Committed expenditures in this category totaled \$274.2 million, or 84% of the 2020-2021 Modified Budget, resulting in savings of \$54.1 million. Of this amount, \$35.4 million was assumed as savings in 2020-2021 and rebudgeted to 2021-2022, including \$4.5 million that was offset by revenue sources. Of the remaining balance of \$18.7 million, rebudget adjustments totaling \$7.7 million are recommended in this report, and if approved, would result in net savings of \$11.0 million in this category, a 3.4% variance from the budgeted level.

The major ongoing expenditures in the City-Wide Expenses category are detailed below.

- TRANs Debt Service payments of \$131.6 million were completed to repay the short-term note that was issued for cash flow purposes necessitated by the pre-funding of employer retirement contributions.
- The Food and Necessities expenditures of \$19.6 million ended the year \$760,000, or 3.7% below the 2020-2021 Modified Budget of \$20.4 million. Funding was allocated as part of the Fiscal Recovery Update and Coronavirus Relief Fund Rebalancing actions approved by City Council on December 8, 2020 to continue to provide needed services through June 30, 2021.

GENERAL FUND EXPENDITURE PERFORMANCE

Highlights of Non-Departmental Expenditures and Variances

- Total Workers' Compensation Claims payments of \$18.6 million were \$97,000, or just 0.52%, below the 2020-2021 Modified Budget of \$18.7 million. This spending level compares favorably to the prior year, where total payments were \$19.4 million, which are \$766,000, or 4.0%, above 2020-2021 actual payments. Workers' Compensation Claims appropriations for Parks, Recreation and Neighborhood Services and Fire Department were exceeded slightly (by 101.9% and 101.3% respectively.) However, the remaining workers' compensation claims' appropriations for Police, Transportation, Public Works and other Departments were within budgeted levels. Separate actions to ratify the PRNS and Fire Departments' Workers' Compensation Claims appropriations was approved by City Council on September 28, 2021 as part of the Adoption of an Ordinance Ratifying Final Expenditures in Various Appropriations for 2020-2021.
- The Local Assistance expenditures of \$6.4 million ended the year \$2.4 million, or 27.0% below the 2020-2021 Modified Budget of \$8.8 million. Funding was allocated as part of the Fiscal Recovery Update and Coronavirus Relief Fund Rebalancing actions approved by City Council on December 8, 2020 to continue to provide needed services through June 30, 2021. This report recommends a rebudget of \$2.1 million to continue to provide support services, bringing the total available funding in 2021-2022 to \$2.1 million.
- San José BEST and Safe Summer Initiative Programs expenditures of \$6.2 million were \$1.2 million, or 15.7% below the 2020-2021 Modified Budget of \$7.4 million, but above the 2019-2020 level of \$5.5 million by 11.5%. As part of the development of the 2021-2022 Adopted Budget, an estimated \$440,000 in savings were rebudgeted, for a total 2021-2022 Adopted Budget amount of \$6.7 million. This report recommends an additional rebudget of \$215,000 to continue certain program work into 2021-2022.
- Expenditures for Homeless Rapid Rehousing of \$4.0 million and the Homeless Response Team of \$1.7 million totaled \$5.2 million and ended the year \$490,000 below budgeted levels across both appropriations. This spending level is below the prior year level of \$6.9 million total for both appropriations. A rebudget of \$70,000 of project savings is recommended in this report.
- Sick Leave Payments Upon Retirement expenditures of \$3.9 million ended the year 22.2% below the annual allocation of \$5.0 million, though 13.5% above the 2019-2020 level of \$3.4 million.
- The Digital Inclusion Program expenditures of \$3.4 million were \$3.1 million, or 47.6%, below the Modified Budget estimate of \$6.4 million, and above expenditures in 2019-2020 of \$1.7 million. As part of the development of the 2021-2022 Adopted Budget, an estimated \$2.7 million in savings were rebudgeted, and an additional \$474,000 rebudget is recommended as part of this report.

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Highlights of Non-Departmental Expenditures and Variances

- Diridon Station Area Development Planning expenditures of \$3.4 million were \$542,000, or 13.7%, below the 2020-2021 Modified Budget of \$4.0 million, yet above the 2019-2020 level of \$2.9 million by 14.2%. As part of the development of the 2021-2022 Adopted Budget, estimated savings of \$610,000 were rebudgeted; however, included in this document is a recommended downward adjustment of \$68,000 due to higher than anticipated expenses that occurred in 2020-2021. Also recommended is the addition of one-time funding of \$450,000, funding received by the City's Funding and Reimbursement Agreement with Google, to continue the work related to the Downtown West development project and other Diridon Station Area planning efforts.

- Elections and Ballot Measures expenditures of \$3.2 million ended the year right at the 2020-2021 Modified Budget level of \$3.2 million, which is \$1.3 million, or 41.2% above the prior year level of \$1.7 million. The 2021-2022 Adopted Budget amount is \$2.1 million.

- General Liability Claims payments of \$2.0 million were 13.6% or \$12.5 million below the 2020-2021 Modified Budget of \$14.5 million and below 2019-2020 expenditures of \$4.7 million. The 2020-2021 savings were estimated during the development of the 2021-2022 Adopted Budget; \$12.6 million was rebudgeted into 2021-2022 and this document recommends a downward adjustment of \$70,000 due to higher than anticipated expenses that occurred in 2020-2021 for a total Adopted Budget of \$18.6 million.

Capital Projects

In 2020-2021, the General Fund provided funding totaling \$130.6 million for capital projects. Of this amount, approximately \$75.7 million was unexpended at year-end. The projects with the largest unexpended balances included:

Capital Projects	Unexpended Funds (\$000s)
Fire Training Center Relocation	\$ 30,005
Emergency Operations Center Relocation Capital Contributions	6,700
The Tech Museum Controls Module Improvements	2,929
Police Athletic League Stadium Turf Replacement	2,902
Fire Apparatus Replacement	2,372
Tech Interactive Fire Alarm System	2,270
Local Sales Tax – PAB/PAC Phase I Elevator Modernization	2,253
City Hall HVAC Control System Replacement	2,249
Unanticipated/Emergency Maintenance	1,892
RAMAC Park Turf Replacement	1,683
City Hall Campus Expansion	1,575
Emergency Power Generation for City Facilities	1,564
San Jose Stage Company	1,000
All Other Projects	16,282
Total Unexpended Capital Projects	75,676

GENERAL FUND EXPENDITURE PERFORMANCE

Highlights of Non-Departmental Expenditures and Variances

Of the \$75.7 million unexpended at the end of 2020-2021, a total of \$73.1 million was rebudgeted to 2021-2022 in the Adopted Budget, leaving a balance of \$2.6 million. As part of the Annual Report, additional rebudget adjustments totaling \$1.6 million are recommended, bringing the Capital savings to \$991,000.

The recommended upward and downward rebudget adjustments as well as augmentations for various appropriations are reflected in *Section IV – Recommended Budget Adjustments and Clean-Up/Rebudget Actions* of this document.

Transfers

In the Transfers category, expenditures of \$80.8 million ended the year at budgeted levels.

Reserves

General Fund Reserve categories include Earmarked Reserves (\$137.8), Ending Fund Balance Reserve (\$18.4 million), and the Contingency Reserve (\$40.0), which totaled \$196.2 million as of June 30, 2021. The 2021-2022 Adopted Budget assumed that \$195.9 million would be available at year-end, with reserves either re-established in 2021-2022 or used as a funding source for the 2021-2022 Adopted Budget.

Earmarked Reserves

Earmarked Reserves totaled \$137.8 million on June 30, 2021, the largest of which were the: Budget Stabilization Reserve (\$34.6 million); Measure E – 45% Extremely Low Income Reserve (\$21.7 million); 2020-2021 Ending Fund Balance Reserve (\$18.4 million); Measure E – 35% Low Income Reserve (\$17.0 million); Workers Compensation/General Liability Catastrophic Reserve (\$15.0 million); 2021-2022 Future Deficit Reserve (\$11.1 million); 2021-2022 Police Sworn Hire Ahead Program Reserve (\$7.0 million); Salaries and Benefits Reserve (\$5.4 million); Measure E – 10% Moderate Income Reserve (\$4.9 million); Sick Leave Payments Upon Retirement Reserve (\$4.0 million); Google Parking Lots Option Payment Reserve (\$2.7 million); Artificial Turf Capital Replacement Reserve (\$2.6 million); Measure E – 10% Homelessness Prevention Reserve (\$2.1 million); and, the Information Technology Sinking Fund Reserve (\$2.0 million). Most of these Earmarked Reserves were either rebudgeted or used as a funding source for development of the 2021-2022 Adopted Budget.

Ending Fund Balance Reserve

The 2020-2021 Ending Fund Balance Reserve of \$18.4 million was proactively set aside to help ensure sufficient fund balance would be available at the end of 2020-2021 to meet the budgeted estimate used for the development of the 2021-2022 Adopted Budget. Annually, as part of the development of the

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND EXPENDITURE PERFORMANCE

Highlights of Non-Departmental Expenditures and Variances

General Fund Forecast and Adopted 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. In the 2021-2022 Adopted Budget, it was assumed that \$24.0 million would be generated from these sources. The establishment of the 2020-2021 Ending Fund Balance Reserve set aside a portion of this funding, with the assumption that the remaining amount would be realized by year-end.

Contingency Reserve

The City Council has established a budget policy of maintaining a minimum 3% Contingency Reserve in the General Fund. At the end of 2020-2021, the Contingency Reserve totaled \$40.0 million and remained unspent during the year. As part of the development of the 2021-2022 Adopted Budget, the full Contingency Reserve was rebudgeted, and actions are included in this report to increase the reserve by \$500,000 to ensure compliance with the Council Policy of maintaining a minimum 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 to cover General Fund payroll expenditures for approximately two weeks in the event of an emergency.

Further reserve adjustments totaling \$56.9 million are recommended in this report, including: establishing the 2022-2023 Future Deficit Reserve (\$28.3 million); increasing the Budget Stabilization Reserve (\$12.9 million); establishing the FEMA Non-Reimbursable Expenses Reserve (\$10.0 million); establishing the Berryessa Flea Market Vendor Business Transition Fund Reserve (\$2.5 million); establishing the Pest and Turf Management Team Reserve (\$1.0 million); and, establishing the Emergency Fire Equipment Reserve (\$500,000). Additional reconciling adjustments are also recommended to the: Artificial Turf Capital Replacement Reserve (-\$410,000); Measure E – 45% Extremely Low Income Reserve (\$583,000); Measure E – 35% Low Income Reserve (\$543,000); Measure E – 10% Moderate Income Reserve (\$155,000); Measure E – 10% Homelessness Prevention Reserve (\$270,000); Code Enforcement Permit System Reserve (\$400,000); and, Solid Waste Code Enforcement Program Reserve (\$400,000). Additional smaller, select adjustments are also recommended to reserve funds for designated purposes.

Recommended expenditure adjustments and clean-up actions can be found in *Section IV – Recommended Budget Adjustments and Clean-Up/Rebudget Actions* of this report. Adjustments are in the following categories: Required Technical/Rebalancing Actions, Grants/Reimbursements/Fees, and Urgent Fiscal/Program Needs as 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 of recommended actions found in the introduction of that section.

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III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

This section provides financial information on the 2020-2021 year-end performance for selected special and capital funds that represent major City operations. Specifically, it includes discussions regarding the funds' revenue, expenditure, and ending fund balance performances. The funds are discussed in alphabetical order.

The Revenue and Expenditure Performance chart displays the 2020-2021 Modified Budget and Actual revenues and expenditures, with the dollar and percent variance for each. The revenue figures exclude the Beginning Fund Balance and Reserves while the expenditure figures include encumbrances, but exclude the Ending Fund Balance and other reserves. The Ending Fund Balance Performance chart displays the 2020-2021 Modified Budget, which includes fund balance and reserves. The 2020-2021 Estimated Ending Fund Balance and Actual Ending Fund Balance also includes reserves, with the exception of the reserve for encumbrances. The dollar variance compares the Estimated Ending Fund Balance used to develop the 2021-2022 Adopted Budget with the Actual Ending Fund Balance. The Recommended Annual Report Rebudget Adjustments shows the amount of additional rebudgets recommended in this report and calculates the revised variance should recommended rebudgets be approved.

Revenue Performance: This discussion identifies the amount of revenue received in 2020-2021 and major revenue sources; provides context regarding the year-end revenue performance variance to the modified budget; and compares revenues to the prior year performance.

Expenditure Performance: This discussion identifies the amount of expenditures for 2020-2021 and major expenditure categories; provides context regarding the year-end expenditure performance variance to the modified budget; discusses significant capital improvement project variances relative to the size of the capital fund; calculates the revised expenditure variance due to rebudgets approved as part of the 2021-2022 Adopted Budget or as recommended in this report; and compares expenditures to the prior year performance.

Ending Fund Balance Performance: This discussion provides the actual Ending Fund Balance and the estimated Ending Fund Balance used in the development of the 2021-2022 Adopted Budget; discusses variances between these two amounts; and identifies any impact on the 2021-2022 budget related to recommended actions included in this report.

AIRPORT CAPITAL FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Reve- nues	\$68,830	\$35,794	(\$33,036)	(48.0%)
Expendi- tures	\$126,082	\$71,871	(\$54,211)	(43.0%)

The Airport Capital Funds include the Airport Capital Improvement Fund, the Airport Revenue Bond Improvement Fund, the Airport Renewal and Replacement Fund, and the Airport Passenger Facility Charge Fund.

Revenues totaled \$35.8 million and were generated primarily from transfers from the Airport Surplus Revenue Fund (\$13.3 million), grant income (\$12.1 million), Passenger Facility Charges (PFCs) (\$9.4 million) and interest earnings (\$0.8 million). This revenue level was \$33.0 million (48.0%) below the Modified Budget and \$46.3 million (56.4%) lower than the prior year level of \$82.1 million.

The negative variance to the budget of \$33.0 million (48.0%) was due primarily to lower than expected receipt of grant revenue, \$32.5 million (72.8%). This resulted from projects being delayed due to COVID-19 and other projects awaiting Federal Aviation Administration approval of grant applications. Additionally, Passenger Facility Charge revenue ended the year below estimated levels by \$1.0 million (9.9%) due to reduced passenger activity that resulted from the COVID-19 pandemic. Overall, revenues in 2020-2021 of \$35.8 million were lower than 2019-2020 revenues of \$82.1 million due to a lower transfer from the Airport Surplus Revenue Fund, decreased Passenger Facility Charge revenue, and no commercial paper proceeds subsequent to the completion of the Interim Terminal Facility. Negative revenue rebudgets totaling \$1.6 million are recommended in this report to align the anticipated revenue budget with planned expenditures.

Expenditures totaled \$71.9 million and consisted primarily of expenses related to the construction of the Economy Lot 1 Parking Garage (\$20.9 million), transfers to other Airport funds for debt service payments (\$14.3 million), and various capital renewal and replacement projects (\$8.9 million). Expenditures also included significant airfield projects such as the Aircraft Rescue and Fire Fighting Facility (\$12.6 million) and significant terminal projects including the Network Replacement (\$1.4 million) project. This expenditure level was \$54.2 million (43.0%) below the Modified Budget and \$10.4 million (12.7%) below the prior year level of \$82.3 million.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

AIRPORT CAPITAL FUNDS

After adjusting for rebudgets of \$51.9 million included in the 2020-2021 Adopted Budget and net negative rebudgets of \$1.2 million recommended in this report, expenditure savings of \$3.5 million were largely attributed to grant projects that were not awarded, COVID-19 related construction slowdowns, and project deferrals which resulted in savings for projects, including the Terminal A Piping Replacement project (\$0.4 million) and the Skylight Refurbishment project (\$0.1 million). The Airport continues to ensure passenger safety is a top priority and development of additional passenger, airline, and concession activity is important to planning for the Airport's future growth.

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Vari- ance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$144,463	\$33,836	\$40,081	\$6,244	(\$1,155)	\$5,089	3.5%

The **Ending Fund Balance** of \$40.1 million was \$6.2 million above the estimate used in the development of the 2021-2022 Adopted Capital Budget. After accounting for negative expenditure rebudget adjustments totaling \$1.2 million that are recommended as part of the Annual Report, the revised fund balance variance is \$5.1 million. The variance is a result of the intentional reduction or delay of capital projects in response to uncertainty surrounding the recovery pace of airport revenue.

**AIRPORT OPERATING FUND - AIRPORT CUSTOMER FACILITY AND
TRANSPORTATION FEE FUND**

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$20,141	\$17,996	(\$2,146)	(10.7%)
Expenditures	\$21,974	\$21,483	(\$491)	(2.2%)

Revenues totaled \$18.0 million and were generated from rental car Customer Facility Charge (CFC) fees (\$6.5 million), contributions from Rental Car Agencies (\$3.1 million), interest earnings (\$112,000), and Coronavirus Aid, Relief and Economic Security (CARES) Act Grant revenue (\$8.3 million). This total revenue level was \$2.1 million (10.7%) below the Modified Budget of \$20.1 million and \$1.2 million (6.9%) above the prior year level of \$16.8 million.

The increase in revenue from the prior year was primarily due to the application of CARES Act Grant funding provided to offset the decreased revenue resulting from the COVID-19 pandemic’s impact on air travel and rental car operations at the Airport. With passenger levels slightly more than estimated at 4.2 million (though well below 2019-2020 levels of 11.3 million) generating slightly higher CFC revenue than initially expected, and with use of CARES funding, the required contributions from Rental Car Companies were reduced to help partially mitigate the pandemic’s impact on that industry, which resulted in a negative variance to the 2020-2021 budget of \$2.1 million (10.7%).

Expenditures totaled \$21.5 million and were primarily attributed to transfers for debt service payments (\$19.4 million) as well as shuttle bus transportation costs (\$1.5 million). Expenditures were slightly below the budget with a variance of \$491,000 (2.2%) due to lower than estimated shuttle bus costs. This expenditure level was \$167,000 (0.8%) below the prior year level of \$21.7 million, also due to decreased shuttle bus costs.

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Annual Report Rebudget Adjustments	Revised Variance	Revised Variance % (incl. Rebudget Adjustment)
\$29,260	\$6,394	\$5,802	(\$592)	\$0	(\$592)	(2.0%)

The 2020-2021 **Ending Fund Balance** of \$5.8 million was \$592,000 below the estimate used in the development of the 2021-2022 Adopted Operating Budget. This negative variance from the estimate resulted from reduced CFC fees partially offset by shuttle bus expenditure savings.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

AIRPORT OPERATING FUNDS - AIRPORT REVENUE FUND AND AIRPORT MAINTENANCE AND OPERATION FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$186,462	\$180,296	(\$6,166)	(3.3%)
Expenditures	\$118,267	\$97,506	(\$20,760)	(17.6%)

Revenues in the Airport Revenue Fund totaled \$180.3 million and were generated from Airline Terminal Rental (\$62.0 million), Federal Grant revenue (\$46.9 million), Parking and Roadway (\$22.2 million), Landing Fees (\$16.9 million), Miscellaneous Revenue (\$14.9 million), Terminal Building Concessions (\$11.1 million), Airfield Area (\$3.5 million), Petroleum Products (\$1.7 million), and Transfers from the Airport Fiscal Agent Fund (\$623,000) and General Fund for Jet Fuel Sales Tax (\$463,000). The total revenue level was \$6.2 million (3.3%) below the Modified Budget of \$186.5 million and 0.5% higher than the prior year level of \$179.4 million.

The negative revenue variance of \$6.2 million was primarily due to revenues ending the year below budgeted levels in the following categories: Landing Fees revenue (\$3.8 million), Terminal Building Concessions revenue (\$2.0 million), Airline Terminal Rental revenue (\$795,000), Parking and Roadway (\$651,000), and Airfield revenue (\$501,000). Overall, revenues fell below budgeted levels as a result of decreased operations at SJC subsequent to the ongoing effects of the COVID-19 pandemic. These revenue variances were offset slightly by Petroleum Products revenue (\$649,000), Miscellaneous revenue (\$301,000) and Federal Grant revenue (\$685,000) which all ended the year slightly above budget.

The 2020-2021 revenue level was \$942,000 (0.5%) above the 2019-2020 level of \$179.4 million primarily due to the application of Federal Grant revenue provided to offset the decreased revenue resulting from the COVID-19 pandemic's impact on air travel.

Expenditures in the Airport Maintenance and Operation Fund totaled \$97.5 million and were primarily for Airport Department non-personal/equipment (\$36.4 million including encumbrances), Airport personal services (\$34.5 million), transfers to the General Fund for Police and Fire services (\$18.2 million), Overhead (\$5.4 million), and Interdepartmental Services expenditures (\$1.3 million). Additionally, there were Airline Reserve Funds Distribution payments (\$1.3 million) made to distribute the airlines' portion of the net remaining revenue resulting from the 2020-2021 financial performance. This expenditure level was \$20.8 million (-17.6%) below the Modified Budget of \$118.3 million and \$16.3 million (-14.3%) below the prior year level of \$113.8 million.

**AIRPORT OPERATING FUNDS - AIRPORT REVENUE FUND AND AIRPORT
MAINTENANCE AND OPERATION FUND**

The negative variance to the budget of \$20.8 million was primarily due to non-personal/equipment expenditure savings (\$19.2 million) resulting from proactive action by Airport management to establish expenditure savings targets to partially offset reduced revenues resulting from COVID-19 travel restrictions, and the pandemic’s overall effect on air-travel. Additionally, there were savings from a lower than anticipated Airline Reserve Funds Distribution (\$3.7 million), unused Operations Contingency funds (\$966,000), and personal services vacancy savings (\$374,000). The \$16.3 million (14.3%) decrease over the prior year was primarily due to reduced Airline Reserve Funds Distribution (-\$10.6 million) and non-personal/equipment expenditures (-\$7.4 million) partially offset by higher costs for both Airport Police Division and Aircraft Rescue and Fire Fighting services (\$936,000) which can be attributed to wage adjustments and overtime hours.

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$403,766	\$92,034	\$112,743	\$20,709	\$0	\$20,709	5.1%

The 2020-2021 combined **Ending Fund Balance** of \$112.7 million was \$20.7 million above the budgeted estimate used to develop the 2021-2022 Adopted Operating Budget. The variance from the estimate was due to lower than estimated expenses, the result of the Airport’s strategic savings target implemented in response to the pandemic’s impact combined with higher than estimated revenues from Parking and Roadway, Terminal Rental, and Miscellaneous.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

BUILDING AND STRUCTURE CONSTRUCTION TAX FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$62,587	\$33,961	(\$28,626)	(45.7%)
Expenditures	\$112,066	\$36,919	(\$75,147)	(67.1%)

Revenues totaled \$34.0 million and were generated from primarily Building and Structure Construction Tax receipts (\$24.2 million), grant funding (\$5.3 million), other revenue (\$2.8 million), and interest earnings (\$1.5 million). Other revenue primarily consists of mitigation payments from developers for traffic safety improvements (\$2.4 million) and for new construction of a Highway 101 and Blossom Hill Road overcrossing (\$360,000). The revenue level was \$23.7 million (41.1%) below the prior level of \$57.7 million. The 2020-2021 revenues were lower than the budgeted estimate of \$62.6 million by approximately \$28.6 million, resulting primarily from lower than budgeted grant revenues (\$33.3 million), offset by higher Building and Structure Construction Tax receipts (\$2.2 million), other revenue (\$1.8 million), and interest earnings (\$589,000).

At \$24.2 million, Building and Structure Construction Tax receipts in 2020-2021 were above the budgeted estimate of \$22.0 million, but 27.1% lower than the 2019-2020 collections of \$33.3 million. During the development of the 2022-2026 Capital Improvement Program, the Building and Structure Construction Tax revenue estimate was decreased by \$3.0 million, from the \$25.0 million estimate included in the 2020-2021 Modified Budget, to align with lower than anticipated collections. This lower collection level for Building and Structure Construction Tax revenues is mainly attributable to a large decrease in valuation of permits for industrial building projects. The total valuation of projects submitted in 2020-2021 was \$1.9 billion, 23.8% below the \$2.5 billion valuation of projects that were received in 2019-2020. Residential valuation of \$390.1 million in 2020-2021 was lower than the 2019-2020 level of \$426.5 million. A total of 1,975 new residential units received permits in 2020-2021, which was below 2019-2020 actuals of 1,992 units. Commercial valuation of \$1,128.0 million ended 2020-2021 below the prior year level of \$1,178.5 million. Most significantly, industrial activity of \$386.6 million was lower than the 2019-2020 level of \$894.7 million, which was a year that saw a large influx of new industrial building starts. The 2021-2022 Adopted Budget estimate of \$20.0 million allows for a decrease of 17.5% from the actual 2020-2021 collection level. Examples of major projects for the year include permits for a 306,000 square foot research and development lab at 6320 San Ignacio Avenue, a 1.3 million square foot office building at 333 West San Fernando Street, a 582,000 square foot office building at 1199 Coleman Avenue, a 299-unit apartment complex at 680 North 6th Street, and a 249-unit apartment complex at 717 West Julian Street.

Grant related revenues of \$5.6 million, which were not received in 2020-2021 due to project delays, were anticipated and rebudgeted during the development of the 2021-2022 Adopted Budget. An additional rebudget of grant funding in the amount of \$176,000 is recommended as part of this report.

BUILDING AND STRUCTURE CONSTRUCTION TAX FUND

Expenditures totaled \$36.9 million and were \$75.1 million (67.1%) below the modified budget. A significant portion of the expenditure savings (\$61.7 million), excluding reserves, was anticipated and rebudgeted as part of the 2021-2022 budget process. An additional \$5.8 million is recommended to be rebudgeted as part of this report to ensure sufficient funding for projects to continue in 2021-2022. Once rebudgets are included, expenditures in the Building and Structure Construction Tax Fund approach budgeted levels for 2020-2021. The expenditure level was \$12.4 million (50.5%) above the prior year level of \$24.5 million.

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Annual Report Rebudget Adjustments	Revised Variance	Revised Variance % (incl. Rebudget Adjustment)
\$162,926	\$87,119	\$97,455	\$10,336	(\$5,601)	\$4,735	2.9%

The **Ending Fund Balance** of \$97.5 million was \$10.3 million above the estimate used in the development of the 2021-2022 Adopted Budget. After accounting for net rebudget adjustments of \$5.6 million recommended in the Annual Report, the positive variance is reduced to \$4.7 million. Significant expenditure rebudgets include Pedestrian Safety Improvements (\$1.3 million), Traffic Signal Rehabilitation (\$781,000), Transportation Grants Reserve (\$500,000), and Vision Zero: Safety Initiatives Reserve (\$463,000).

As described in *Section IV – Recommended Budget Adjustments and Clean-Up Actions*, a limited number of revisions to existing projects are recommended in this report. After accounting for all recommended adjustments, a net increase of \$2.7 million is recommended to be allocated to the 2021-2022 Ending Fund Balance.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION AND CONVEYANCE TAX FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$65,145	\$77,618	\$12,473	19.1%
Expenditures	\$112,683	\$70,191	(\$42,492)	(37.7%)

The Construction and Conveyance (C&C) Tax Funds consist of the Communications C&C Tax Fund, Fire C&C Tax Fund, Library C&C Tax Fund, Parks Central C&C Tax Fund, Parks City-Wide C&C Tax Fund, 10 Council Districts C&C Tax Funds, and Park Yards C&C Tax Fund.

Revenues generated in the Construction and Conveyance (C&C) Tax Funds in 2020-2021 totaled \$77.6 million and were comprised of C&C Tax receipts (\$53.1 million), transfers between funds (\$18.4 million), interest earnings (\$1.8 million), state and federal grants (\$3.2 million), and developer contributions and miscellaneous revenue (\$1.1 million). The revenue level is \$12.5 million above the budgeted estimate of \$65.1 million, primarily due to higher than budgeted C&C tax proceeds (\$13.1 million).

C&C Tax revenue collections of \$53.1 million was received in 2020-2021, which is \$13.1 million above the Modified Budget and the estimated collection level of \$40.0 million. The actual tax receipts in 2020-2021 – a record high – is 29.9% above the actual tax receipts in 2019-2020 (\$40.9 million), primarily due to robust activities in the local real estate market, which is the primary driver of this revenue source. For 2021-2022, \$38.0 million is budgeted. Given the volatile nature of the C&C Tax, actual receipts will be closely monitored in the first half of 2021-2022, and adjustments may be made through the Mid-Year Budget Review process, if deemed necessary.

Real estate activity was anticipated to be sluggish in 2020-2021 due to higher unemployment rates coupled with lower consumer confidence. According to data from the Santa Clara County Association of Realtors, the number of property transfers (sales) experienced year-over-year decreases (from the same time period in the prior year) ranging from -10% to -54% between the beginning of the County’s COVID-19 shelter-in-place order through June 2020. However, beginning in September 2020, the local real estate market once again began to experience year-over-year gains. Through June 2021 there were a total of 8,504 property transfers for all residences, which represents growth of approximately 41% from prior year levels. Median single family home prices grew sharply as well. As of June 2021, the median single family home price totaled \$1.48 million, which represents a 24.2% increase from the June 2020 price of \$1.19 million.

As mentioned above, the local real estate market is the key driver of C&C Tax receipts. Therefore, if the median single-family home price and sales activity significantly increase or decrease, a corresponding change may be seen in C&C Tax revenue.

CONSTRUCTION AND CONVEYANCE TAX FUNDS

Expenditures in the various C&C Tax Funds totaled \$70.2 million in 2020-2021 and were derived primarily from various capital projects and transfers to other funds across the 17 C&C Tax funds (Council Districts 1-10, Parks City-Wide, Parks Central, Park Yards, Fire, Library, Service Yards, and Communications). This expenditure level is \$42.5 million (37.7%) below the budgeted level of \$112.7 million, which is primarily the result of unexpended capital project funding. The 2020-2021 expenditure level of \$70.2 million was \$4.7 million (7.2%) above the prior year level of \$65.5 million.

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Annual Report Rebudget Adjustments	Revised Variance	Revised Variance % (incl. Rebudget Adjustment)
\$155,917	\$77,562	\$97,893	\$20,331	(\$2,983)	\$17,348	22.4%

The **Ending Fund Balance** of \$97.9 million was \$20.3 million above the \$77.6 million estimate used to develop the 2021-2022 Adopted Capital Budget. After accounting for net revenue and expenditure rebudget adjustments of \$3.0 million recommended in the Annual Report, the variance decreases to \$17.3 million.

As described in *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions*, this report includes recommendations to allocate from a number of C&C Tax Fund Ending Fund Balances to fund various capital projects, including St. James Park Phase I Design (\$40,000 – Council District 3 C&C Tax Fund), and Kelley Park Master Plan (\$10,000 – Parks City-Wide C&C Tax Fund). Other notable adjustments recommended in this report includes increasing the Infrastructure Backlog Reserve (\$2,500,000 – Parks City-Wide C&C Tax Fund) and establishing the Emergency Fire Equipment Reserve (\$1,400,000 – Fire C&C Tax Fund). The remaining fund balance is recommended to be allocated to the respective funds’ 2021-2022 Ending Fund Balance for future use. For a complete list of all budget adjustments included in the 17 C&C Tax Funds, please refer to *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions*.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

CONSTRUCTION EXCISE TAX FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$129,473	\$101,232	(\$28,241)	(21.8%)
Expenditures	\$200,354	\$125,009	(\$75,345)	(37.6%)

Revenues totaled \$101.2 million and were primarily generated from grant funding (\$72.2 million), Construction Excise Tax receipts (\$20.1 million), traffic impact fees (\$6.3 million), interest earnings (\$1.9 million), miscellaneous revenue (\$614,000), and developer contributions (\$149,000). The majority of grant funding consists of allocations for pavement maintenance from the Federal Government, the State of California, and the Valley Transportation Authority (\$68.1 million). The revenue level was \$28.2 million (21.8%) below the budgeted estimate and \$15.0 million (12.9%) below the prior year level of \$116.2 million.

The 2020-2021 revenue level was lower than the 2020-2021 Modified Budget estimate of \$129.5 million, primarily due to lower receipts from grant funds (\$37.8 million). However, this shortfall was partially offset by higher than estimated traffic impact fees (\$6.3 million) and Construction Excise Tax receipts (\$3.1 million). Grant related revenues of \$12.4 million, including \$9.0 million of anticipated revenue from the second round of One Bay Area Grant funding for pavement maintenance, which were not received in 2020-2021 due to project delays, were anticipated and rebudgeted as part of the development of the 2021-2022 Adopted Budget. The revenue variance to the prior year mainly resulted from lower collections from grant-related revenues (\$10.8 million), miscellaneous revenues and contributions (\$2.2 million), transfers (\$1.8 million), and interest earnings (\$782,000), which were partially offset by higher traffic impact fees (\$682,000) and Construction Excise Tax receipts (\$32,000).

At \$20.1 million, Construction Excise Tax receipts in 2020-2021 were 18.1% above the budgeted estimate of \$17.0 million and in line with 2019-2020 collections. During the development of the 2022-2026 Capital Improvement Program, the Construction Excise Tax revenue estimate was decreased by \$4.0 million, from the \$21.0 million estimate included in the 2020-2021 Modified Budget, to align with lower than anticipated collections due to the COVID-19 pandemic. Residential and Commercial permit valuations in 2020-2021 were slightly lower than 2019-2020. The total valuation of residential and commercial projects submitted in 2020-2021 was \$1,518.1 million, 5.4% below the \$1,605.0 million valuation of residential and commercial projects submitted in 2019-2020 (the Construction Excise Tax does not apply to industrial projects). Residential valuation of \$390.1 million in 2020-2021 was lower than the 2019-2020 level of \$426.5 million.

CONSTRUCTION EXCISE TAX FUND

A total of 1,975 new residential units received permits in 2020-2021, which was slightly below 2019-2020 actuals of 1,992 units. Commercial valuation of \$1,128.0 million was below the prior year level of \$1,178.5 million. Examples of major projects for the year include permits for a 1.3 million square foot office building at 333 West San Fernando Street, a 582,000 square foot office building at 1199 Coleman Avenue, a 299-unit apartment complex at 680 North 6th Street, and a 249-unit apartment complex at 717 West Julian Street.

The 2021-2022 Adopted Budget estimate of \$18.0 million allows for a decrease of 10.4% from the actual 2020-2021 collection level.

Expenditures totaled \$125.0 million and were \$75.3 million (37.6%) below the 2020-2021 Modified Budget. A portion of the expenditure savings (\$57.5 million) was anticipated and rebudgeted as part of the 2021-2022 budget process, in addition to the rebudgeting of reserves (\$36.5 million). An additional \$18.3 million is recommended to be rebudgeted as part of this report to ensure sufficient funding for projects in 2021-2022. The expenditure level was \$22.2 million below the prior year level of \$147.2 million, primarily due to the progression of pavement maintenance projects during 2020-2021.

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Annual Report Rebudget Adjustments	Revised Variance	Revised Variance % (incl. Rebudget Adjustment)
\$252,614	\$97,358	\$99,946	\$2,588	\$7,130	\$9,718	3.8%

The **Ending Fund Balance** of \$99.9 million was \$2.6 million above the estimate used in the development of the 2021-2022 Adopted Budget. After accounting for net revenue and expenditure rebudgets of \$7.1 million recommended in the Annual Report, this variance increases to \$9.7 million above the estimate. Significant revenue rebudgets include Pavement Maintenance – VTA Measure B 2016 (\$19.8 million), Measure B Highway Bridge Program (\$3.0 million), TDA – Bicycle and Pedestrian Facilities (\$2.6 million), and Walk n’ Roll VTA Measure B (\$1.2 million). Significant expenditure rebudgets include Route 101/Mabury Road Project Development (\$5.6 million), Pavement Maintenance – VTA Measure B VRF (\$4.5 million), and Pavement Maintenance – City (\$1.2 million).

As described in *Section IV – Recommended Budget Adjustments and Clean-Up Actions*, a limited number of new grants and projects as well as revisions to existing projects are recommended in this report. After accounting for all recommended adjustments, the 2021-2022 Ending Fund Balance is recommended to be increased by approximately \$1.4 million.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

DEVELOPMENT FEE PROGRAM FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues				
<i>Building:</i>	\$65,336	\$68,301	\$2,965	4.5%
<i>Fire:</i>	\$14,602	\$15,148	\$546	3.7%
<i>Planning:</i>	\$10,285	\$10,699	\$414	4.0%
<i>Public Works:</i>	\$18,945	\$19,897	\$952	5.0%
Expenditures				
<i>Building:</i>	\$39,491	\$35,765	(\$3,726)	(9.4%)
<i>Fire:</i>	\$10,730	\$9,713	(\$1,017)	(9.5%)
<i>Planning:</i>	\$8,308	\$7,327	(\$981)	(11.8%)
<i>Public Works:</i>	\$13,953	\$13,078	(\$875)	(6.3%)

The Development Fee Program Funds include the Building Development Fee Program Fund, Fire Development Fee Program Fund, Planning Development Fee Program Fund, and Public Works Development Fee Program Fund. The Development Fee Programs were previously budgeted in the General Fund as full cost recovery programs; however, starting in 2020-2021, these fee programs have been reallocated into individual special funds to improve transparency and financial and budgetary administration.

Revenues generated from the Development Fee Program Funds totaled \$114.0 million in 2020-2021. Overall, revenues exceeded budgeted levels in all funds. During the development of the 2020-2021 Adopted Budget, it was anticipated that revenues would experience a 30% drop from 2020-2021 Base revenue projections as a result of the impacts of the COVID-19 pandemic. However, revenues performed better than anticipated. While all Development Fee Program revenues exceeded budgetary estimates, the budget for the Building and Planning programs were revised upward later in the fiscal year subsequent to the adoption of the 2020-2021 budget, making actual revenue performance significantly better than initial expectations.

It is important to note that the relatively high levels of revenue compared to expenditures are due to the transfers from the General Fund to initially establish the individual funds. The difference between revenues and expenditures are held in the fund balance to be spent down as projects proceed through the development process.

Expenditures totaled \$65.9 million and were primarily for the Personal Services and Non-Personal/Equipment expenditures of all four funds. This expenditure level was \$6.6 million (9.1%) below the modified budget of \$72.5 million primarily due to vacancy savings experienced in all four Development Fee Program Funds.

DEVELOPMENT FEE PROGRAM FUNDS

Ending Fund Balance Performance (\$ in Thousands)							
<i>Development Fee Program</i>	<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
Building	\$65,336	\$27,352	\$32,536	\$5,184	\$0	\$5,184	7.9%
Fire	\$14,602	\$4,080	\$5,434	\$1,354	\$0	\$1,354	9.3%
Planning	\$10,285	\$1,692	\$3,372	\$1,680	\$0	\$1,680	16.3%
Public Works	\$18,945	\$5,427	\$6,819	\$1,392	\$0	\$1,392	7.3%

The total **Ending Fund Balance** for all four Development Fee Programs of \$48.2 million was \$9.6 million above the estimate used in the development of the 2021-2022 Adopted Budget. These funds will be spent down in future years as projects proceed through the development process.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

GENERAL PURPOSE PARKING FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$12,323	\$12,822	\$499	4.0%
Expenditures	\$14,855	\$13,888	(\$967)	(6.5%)

Revenues totaled \$12.8 million and were generated from a transfer from the General Purpose Parking Capital Fund (\$5.7 million), parking garages and lots (\$5.5 million), parking meters (\$1.6 million), miscellaneous revenue (\$48,000), and interest earnings (\$40,000). The revenue level was \$499,000 (4.0%) above the modified budget and \$16.2 million (56%) below the prior year level of \$29.0 million.

Revenues ended the year slightly above the budget primarily due to higher than anticipated revenue from parking lots, garages and parking meters. Parking lots and garages revenue exceeded the budget by \$544,000 (11.1%) due to an increasing level of activity in the Downtown area. In addition, parking meter revenue exceeded the budget by \$225,000 (16.7%) as more parking meter areas became operational after being turned off in response to the economic impacts of the COVID-19 pandemic. Revenues tracked significantly below the prior year primarily due to the continued impact of the COVID-19 pandemic on the revenue from parking garages, lots, and parking meters (\$14.6 million received in 2019-2020 compared to \$7.0 million received in 2020-2021) and a reimbursement of \$14.2 million in 2019-2020 from the Successor Agency to the Redevelopment Agency for prior advances for debt service associated with the 4th and San Fernando Street Garage. A transfer in 2020-2021 of \$5.7 million from the General Purpose Parking Capital Fund helped offset the revenue loss and fund parking operations.

Expenditures totaled \$13.9 million and were primarily attributed to Department of Transportation (DOT) non-personal/equipment expenditures (\$5.0 million), DOT personal services (\$2.2 million), overhead expenditures (\$2.1 million), a transfer to the General Purpose Parking Capital Fund (\$754,000), and transfers to the General Fund (\$715,000). The expenditure level was \$967,000 (6.5%) below the modified budget and \$23.6 million (62.9%) below the prior year level of \$37.5 million. A rebudget of \$200,000 in non-personal/equipment funding for the purchase of mobile device terminals for Parking Enforcement Services is recommended in this report.

Expenditures ended the year below the budget primarily due to savings in contractual services for parking operations (\$476,000), DOT position vacancies (\$216,000), costs for the automated downtown public toilets (\$157,000), garage security (\$50,000), and Public Works position vacancies (\$50,000). Expenditures were below the prior year primarily due to a transfer of \$21.9 million in 2019-2020 to the General Purpose Parking Capital Fund for the reimbursement from the Successor Agency for prior advances for debt service associated with the 4th and San Fernando Garage (\$14.2 million) and to fund capital improvements to City's parking infrastructure (\$7.7 million).

GENERAL PURPOSE PARKING FUND

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$15,718	\$241	\$1,629	\$1,388	(\$200)	\$1,188	7.6%

The **Ending Fund Balance** of \$1.9 million was \$1.4 million above the estimate used in the development of the 2021-2022 Adopted Budget. After accounting for rebudget adjustments recommended in the Annual Report, the positive variance drops to \$1.2 million. This additional fund balance is recommended to be allocated to the 2021-2022 Ending Fund Balance for future use.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

INTEGRATED WASTE MANAGEMENT FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$160,473	\$160,605	\$132	0.1%
Expenditures	\$169,304	\$165,796	(\$3,508)	(2.1%)

Revenues totaled \$160.6 million and were generated primarily from Recycle Plus collection charges (\$150.2 million), AB939 Fees (\$4.1 million), and Recycle Plus negotiated hauler payments (\$2.7 million). This revenue level was \$132,000 (0.1%) above the Modified Budget of \$160.5 million and \$13.9 million (9.4%) above the prior year level of \$146.8 million.

The variance to the budget was mainly due to higher Recycle Plus collection charges (\$2.2 million), higher Household Hazardous Waste Revenue from County (\$379,000), higher AB939 Fees (\$375,000), and higher revenues in Lien-Related Charges (\$263,000). The higher than anticipated revenues were primarily offset by revenue that was not received in 2020-2021 due to delays in the sale of the Las Plumas property to the Valley Transportation Authority, which is now scheduled to occur in 2021-2022. The variance to the prior year was due primarily to increased Recycle Plus collection charges (\$13.3 million).

Expenditures totaled \$165.8 million and were primarily for Single-Family Dwelling (SFD) Recycle Plus contracts (\$72.0 million), yard trimmings/street sweeping contract (\$25.5 million), Multi-Family Dwelling (MFD) Recycle Plus contracts (\$25.3 million), SFD back-end processing (\$18.8 million), Environmental Services Department (ESD) personal services costs (\$7.6 million), the International Disposal Corporation of California, Inc. (IDC) disposal agreement (\$5.4 million), ESD non-personal/equipment costs (\$4.2 million), Reimbursement of Citywide Overhead expenses (\$2.9 million), costs for the County Revenue Collection Fee (\$1.1 million), Finance Department personal services costs (\$743,000), the transfer to support City Hall Debt Service (\$611,000), and Information Technology Department personal services costs (\$532,000). This expenditure level was \$3.5 million (2.1%) below the Modified Budget of \$169.3 million and \$6.1 million (3.8%) above the prior year level of \$159.7 million.

The variance to the budget was mainly due to savings in ESD non-personal/equipment expenses (\$1.7 million) and personal services (\$799,000) costs, Finance Department non-personal/equipment expenses (\$245,000), Finance Department personal services (\$167,000), County Revenue Collection Fee expenses (\$104,000), and Public Works non-personal/equipment expenditures (\$102,000). The higher expenditure level compared to the prior year was due primarily to higher costs for SFD Recycle Plus (\$3.2 million), MFD Recycle Plus (\$1.5 million), IDC disposal agreement (\$841,000), overhead expenditures (\$681,000), and SFD back-end processing (\$415,000), offset primarily by lower ESD non-personal/equipment expenses (\$610,000).

INTEGRATED WASTE MANAGEMENT FUND

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments	Revised Variance	Revised Variance as % of Modified Budget
\$185,266	\$24,784	\$20,330	(\$4,454)	\$3,817	(\$637)	(0.3%)

The **Ending Fund Balance** of \$20.3 million was \$4.5 million below the estimate used in the development of the 2021-2022 Adopted Budget primarily due primarily to the delayed sale of the Las Plumas property (\$4.0 million), and higher than estimated expenditures. After accounting for rebudget adjustments recommended in this report, the variance decreases to \$637,000 below the estimate. Accordingly, the 2021-2022 Ending Fund Balance in the Integrated Waste Management Fund is recommended to be increased by \$3.8 million.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE CLEAN ENERGY OPERATING FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$304,700	\$295,681	(\$9,019)	(3.0%)
Expenditures	\$332,533	\$314,506	(\$18,027)	(5.4%)

Revenues totaled \$295.7 million and were primarily generated from the sale of electricity (\$280.4 million), Commercial Paper proceeds (\$15.0 million), interest earnings (\$192,000), and miscellaneous revenue (\$100,000). This revenue level was \$9.0 million (3.0%) below the Modified Budget of \$304.7 million, and \$41.9 million (12.4%) below prior year actuals.

The variance to the budget was primarily due to lower energy sales (\$8.6 million), which were impacted by a relatively large amount of unpaid bills from customers negatively affected by the pandemic. Interest revenue of \$192,000 was also below (\$558,000) the Modified Budget due to a lower cash balance carried in 2020-2021 and a lower-than-expected interest rate.

The significant drop in revenue when compared to 2019-2020 is largely attributed to the impact of the Power Charge Indifference Adjustment (PCIA) fee that increased by 41% in 2021, and has risen by over 900% between 2013 and 2021. Prior to May 2021, SJCE's rates were set to ensure that the pricing of SJCE's GreenSource product was 0.25% below PG&E generation rates after accounting for the PCIA. With the dramatic rise of the PCIA in 2021, the need for SJCE to lower its rates as an offset created significant financial strain. On May 11, 2021, the City Council approved adjusting SJCE's 2021 service offerings and rates to help alleviate financial impacts from the increasing PCIA, and included increasing GreenSource to 8% above PG&E generation rates, inclusive of the PCIA. On June 22, 2021, the City Council approved the use of \$15.0 million in Commercial Paper proceeds to support SJCE's cash flow needs at the end of 2020-2021 and authorized a total of \$95.0 million through 2021-2022.

Expenditures including encumbrances totaled \$314.5 million and consisted primarily of Cost of Energy expenditures (\$284.9 million), Commercial Paper repayment (\$10.0 million), Community Energy Department non-personal/equipment (\$8.4 million) and personal services (\$5.3 million) expenditures, City overhead reimbursement (\$2.1 million), and PG&E security fees (\$1.5 million). This expenditure level was \$18.0 million (5.4%) below the Modified Budget of \$332.5 million, which reflected savings in the Cost of Energy (\$10.1 million), Community Energy Department non-personal/equipment (\$1.1 million) and personal services (\$443,000) expenditures, and debt service interest payments (\$460,000). This expenditure level was 3% above the prior year level of \$305.5 million

SAN JOSE CLEAN ENERGY OPERATING FUND

Ending Fund Balance Performance (\$ in Thousands)						
2020-2021 Modified Budget	2020-2021 Estimated Ending Fund Balance	2020-2021 Actual Ending Fund Balance	Variance	Recommended Annual Report Rebudget Adjustments	Revised Variance	Revised Variance % (incl. Rebudget Adjustment)
\$358,440	\$43,752	\$28,124	(\$15,628)	\$0	(\$15,628)	(4.4%)

The **Ending Fund Balance** of \$28.1 million was \$15.6 million below the estimate used in the development of the 2021-2022 Adopted Budget. The variance can be attributed to additional Commercial Paper proceeds (\$15.0 million) offset by lower than estimated energy sales (\$14.6 million), a correction to the fund’s beginning fund balance (\$6.8 million), lower cost of energy (\$3.2 million), and a higher encumbrance balance (\$7.7 million).

As described in *Section IV – Recommended Budget Adjustments and Clean-Up/Rebudget Actions*, budget actions are recommended to recognize Commercial Paper proceeds (\$53.0 million), increase the Cost of Energy appropriation (\$22.2 million), and recognize additional energy sales revenue (\$10.4 million) in 2021-2022 that align with the base financial model used to develop Commercial Paper program needs as approved by the City Council on June 22, 2021. After accounting for all recommended adjustments, approximately \$24.9 million is recommended to be allocated to the 2021-2022 Ending Fund Balance.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSÉ-SANTA CLARA TREATMENT PLANT CAPITAL FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$336,451	\$99,283	(\$237,168)	(70.5%)
Expenditures	\$571,496	\$403,626	(\$167,870)	(29.4%)

Revenues totaled \$99.3 million and were generated primarily from Wastewater Revenue Notes (\$43.4 million), a transfer from the Sewer Service and Use Charge (SSUC) Fund (\$38.3 million), Revenue from Local Agencies for projects and debt service payments (\$11.5 million), interest income (\$3.5 million), and a transfer from the Clean Water Financing Authority (CWFA) 2009A Bond Fund (\$2.3 million). This revenue level was \$237.2 million (70.5%) below the Modified Budget and \$62.8 million (38.8%) below the prior year level of \$162.1 million.

The variance to the budget was due primarily to postponing the issuance of wastewater revenue notes (\$188.6 million) to align with project spending, lower contributions from Santa Clara and the tributary agencies for projects (\$45.9 million) due to the impacts of rescheduling the Digested Sludge Dewatering Facility project from 2020-2021 into 2021-2022 (Santa Clara and the tributary agencies are billed on a quarterly basis according to the most recent expenditure data available throughout the fiscal year), and lower interest income (\$4.9 million), offset by a transfer from the CWFA 2009A Bond Fund (\$2.3 million) due to the completion of obligations and debt service related to bonds issued in 2009 to support South Bay Water Recycling projects. The decrease from the prior year was due primarily to decreased contributions from Santa Clara and the tributary agencies for projects and debt service payments (\$89.7 million) and decreased interest income (\$1.8 million), offset partially by higher revenue from the issuance of wastewater revenue notes (\$25.6 million) for capital projects, an increased transfer from the Sewer Service and Use Charge Fund (\$3.3 million) for capital projects and debt service, and an unbudgeted transfer from the CWFA 2009A Bond Fund (\$2.3 million).

Expenditures totaled \$403.6 million and were primarily attributed to capital improvement projects and associated support allocations (\$396.1 million) and debt service payments (\$7.5 million), which consisted of the Clean Water Financing Authority debt service payment (\$5.5 million) and the Debt Service Repayment for Plant Capital Improvement Projects (\$2.0 million). The largest expenditures included New Headworks (\$126.0 million), Filter Rehabilitation (\$47.6 million), Digester and Thickener Facilities Upgrade (\$45.3 million), Nitrification Clarifier Rehabilitation (\$34.5 million), Aeration Tanks and Blower Rehabilitation (\$23.5 million), Digested Sludge Dewatering Facility (\$18.9 million), Advanced Facility Control and Meter Replacement (\$16.0 million), Headworks Improvements (\$14.7 million), Program Management (\$14.6 million), Energy Generation Improvements (\$13.3 million), and Yard Piping and Road Improvements (\$12.2 million). This expenditure level was \$167.9 million (29.4%) below the Modified Budget and \$7.7 million (1.9%) below the prior year level of \$411.3 million.

SAN JOSÉ-SANTA CLARA TREATMENT PLANT CAPITAL FUND

After accounting for rebudgets included in the 2021-2022 Adopted Budget, the variance between the Modified Budget and actual expenditures falls to \$128.3 million, with a majority of the variance attributed to the Digested Sludge Dewatering Facility (\$115.5 million) and the remaining \$12.8 million being distributed throughout the remaining projects and allocations in the fund. Expenditures were slightly below the prior year, with the most significant positive year-over-year variances being Filter Rehabilitation (\$45.8 million), Digested Sludge Dewatering Facility (\$6.4 million), Program Management (\$4.4 million), and Yard Piping and Road Improvements (\$3.0 million). The most significant negative year-over-year variances were Energy Generation Improvements (\$35.0 million), Aeration Tanks and Blower Rehabilitation (\$14.8 million), Digester and Thickener Facilities Upgrade (\$8.2 million), and New Headworks (\$5.5 million).

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$577,888	\$48,831	(\$60,479)	(\$109,310)	\$84,382	(\$24,928)	(4.3%)

The **Ending Fund Balance** of negative \$60.5 million was \$109.3 million below the estimate used in the development of the 2021-2022 Adopted Budget. The negative Ending Fund Balance is attributable to \$241.3 million in encumbrances for construction projects that have not yet incurred actual expenditures. The wastewater revenue notes provide funding for project expenditures at the Regional Wastewater Facility, but notes are issued only after funding is spent. This creates a time lag between actual expenditures and the revenues associated with those expenditures. The Ending Fund Balance has a negative balance but this does not represent a negative cash balance or a cash flow problem within the fund. Budget adjustments to revise the financing proceeds from wastewater notes are recommended in this report to resolve the budgetary gap and ensure sufficient capacity to support expenditures for Fiscal Year 2021-2022. The wastewater revenue notes will only be drawn as necessary to ensure appropriate funds are available for the projects.

After accounting for adjustments recommended in the Annual Report, the 2021-2022 Ending Fund Balance in the San José-Santa Clara Treatment Plant Capital Fund is recommended to be decreased by \$28,000.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$271,562	\$275,180	\$3,618	1.3%
Expenditures	\$285,338	\$269,037	(\$16,301)	(5.7%)

The San José-Santa Clara Treatment Plant operating funds consist of the Sewer Service and Use Charge Fund (SSUC Fund), the San José-Santa Clara Treatment Plant Operating Fund (Plant Operating Fund), the Sewage Treatment Plant Connection Fee Fund (Connection Fee Fund), and the San José-Santa Clara Treatment Plant Income Fund (Plant Income Fund).

Revenues totaled \$275.2 million and were generated primarily from sewer service and use charges for residential (\$142.0 million), commercial (\$25.7 million), and industrial (\$5.4 million) users; a transfer from the SSUC Fund to the Plant Operating Fund (\$62.3 million); contributions from tributary agencies (\$20.2 million) and the City of Santa Clara (\$13.3 million); and Connection Fees (\$1.6 million). This revenue level was \$3.6 million (1.3%) above the Modified Budget and \$5.3 million (1.9%) above the prior year level of \$269.9 million.

The variance to the budget of \$3.6 million (1.3%) was mainly due to higher SSUC charges (\$2.4 million) and contributions from tributary agencies (\$2.3 million), partially offset by lower interest revenues (\$595,000) and connection fees (\$457,000). Revenues came in \$5.3 million (1.9%) higher than the prior year due primarily due to higher SSUC charges (\$8.9 million), offset by lower Connection Fees (\$1.8 million) and a lower transfer from the SSUC Fund to the Plant Operating Fund (\$1.7 million).

Expenditures totaled \$269.0 million and consisted primarily of transfers to the Plant Operating Fund (\$62.3 million), the Plant Capital Fund (\$38.3 million), and the Sewer Service and Use Charge Capital Fund (\$32.0 million); Environmental Services Department (ESD) personal services (\$54.1 million) and non-personal/equipment (\$34.8 million) costs; overhead reimbursements (\$17.6 million); and Department of Transportation (DOT) personal services (\$14.7 million) and non-personal/equipment (\$7.1 million) costs. This expenditure level was \$16.3 million (5.7%) below the Modified Budget, and \$10.7 million (4.1%) above the prior year level of \$258.3 million.

Expenditures ended the year \$16.3 million (5.7%) below the budget primarily due to ESD personal services (\$4.9 million) and non-personal/equipment (\$4.6 million) expenditure savings, savings in the Legacy Lagoons Remediation budget due to rescheduling the project to 2022-2023 (\$2.5 million), savings from the major litigation costs budget (\$1.5 million) which saw minimal activity in 2020-2021, DOT non-personal/equipment (\$575,000) and personal services (\$376,000) expenditure savings, and savings in the Workers' Compensation Claims allocation (\$385,000). Expenditures ended the year \$10.7 million (4.1%) above previous year expenditures due primarily to increased ESD non-personal/equipment expenditures (\$6.4 million), an increased transfer to the Plant Capital Fund (\$3.3 million), as well as increased personal services expenditures in ESD (\$1.2 million) and DOT (\$1.2 million).

SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUNDS

These increases were offset primarily by a decreased transfer from the Sewer Service and Use Charge Fund to the Plant Operating Fund (\$1.7 million), and decreased expenditures for major litigation activities (\$401,000), and DOT non-personal/equipment expenditures (\$331,000).

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$412,555	\$149,853	\$146,789	(\$3,064)	(\$1,516)	(\$4,579)	(1.1%)

The **Ending Fund Balance** of \$146.8 million was \$3.1 million below the estimate used in the development of the 2021-2022 Adopted Budget and primarily due to higher than estimated expenditures and encumbrances incurred in the ESD non-personal/equipment allocation (\$5.0 million), offset primarily by lower than estimated expenditures for Major Litigation Costs (\$1.4 million) and Workers' Compensation Claims (\$458,000).

After accounting for rebudget adjustments recommended in the Annual Report, the Ending Fund Balance will be \$145.3 million and the variance increases to \$4.6 million. The increase to the Ending Fund Balance is primarily due to downward adjustments to previously approved rebudget actions since actual year-end expenditures were higher than anticipated for the following projects: Legacy Lagoon Remediation (\$2.5 million) in the Plant Operating Fund and Computerized Maintenance Management System Upgrade (\$70,000) in the SSUC Fund. These downward adjustments are offset by other rebudgets (upward adjustments) that are recommended in this report.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

SANITARY SEWER CAPITAL FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$37,020	\$35,947	(\$1,073)	(2.9%)
Expenditures	\$94,718	\$58,644	(\$36,074)	(38.1%)

The Sanitary Sewer Capital Funds include the Sewer Service and Use Charge Capital Improvement Fund (SSUCC Fund) and the Sanitary Sewer Connection Fee Fund (Connection Fee Fund).

Revenues totaled \$35.9 million and were generated from a transfer from the Sewer Service and Use Charge (SSUC) Fund (\$32.0 million), joint participation payments (\$1.9 million), interest revenue (\$1.2 million), connection fees (\$515,000), and funding received from the Valley Transportation Authority (\$277,000). This revenue level was \$1.1 million (2.9%) below the Modified Budget and \$4.1 million (10.2%) below the prior year level of \$40.0 million.

The variance to the budget was due to lower joint participation payments (\$1.0 million) and interest revenue (\$342,000), offset by revenue received from the VTA for sanitary sewer relocation on Capitol Expressway (\$277,000) that was unanticipated and slightly higher connection fee revenues (\$15,000). The negative variance to the prior year was due primarily to lower joint participation payments (\$3.0 million), interest income (\$904,000), and connection fees (\$442,000).

Expenditures totaled \$58.6 million due to the progress on a variety of capital projects, the largest of which were: 60” Brick Interceptor, Phase VIA and VIB (\$23.6 million), Condition Assessment Sewer Repairs (\$7.3 million), Immediate Replacement & Diversion Projects (\$5.1 million), Urgent Rehabilitation and Repair Projects (\$4.7 million), Cast Iron Pipe – Remove & Replace (\$4.2 million), Infrastructure – Sanitary Sewer Condition Assessment (\$3.5 million), Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements (\$2.7 million), Master Planning Updates (\$1.1 million), Sierra Road Sanitary Sewer Improvement (\$1.1 million), and Miscellaneous Capacity Improvements (\$880,000). This expenditure level was \$36.1 million (38.1%) below the Modified Budget and \$21.8 million (27.1%) below the prior year level of \$80.5 million.

SANITARY SEWER CAPITAL FUNDS

Expenditures were below the budget by \$36.1 million (38.1%) as a result of savings across a number of projects: Urgent Rehabilitation and Repair Projects (\$9.0 million), Cast Iron Pipe – Remove and Replace (\$5.8 million), Condition Assessment Sewer Repairs (\$4.9 million), Immediate Replacement and Diversion Projects (\$4.2 million), Infrastructure – Sanitary Sewer Condition Assessment (\$2.2 million), Rehabilitation of Sanitary Sewer Pump Stations (\$1.7 million), 60” Brick Interceptor, Phase VIA and VIB (\$1.3 million), Sierra Road Sanitary Sewer Improvement (\$1.2 million), Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements (\$1.1 million), Master Planning Updates (\$670,000), Preliminary Engineering – Sanitary Sewer (\$631,000), Public Art (\$580,000), and the Reinforced Concrete Pipe Rehabilitation Program (\$500,000). Several of these projects are recommended to be rebudgeted to 2021-2022 in this report as a result of project delays or were rebudgeted in the 2021-2022 Adopted Budget. The lower expenditure level compared to the prior year is largely attributed to lower costs for 60” Brick Interceptor, Phase VIA and VIB (\$12.3 million), Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements (\$5.5 million), Urgent Rehabilitation and Repair Projects (\$4.3 million), and Immediate Replacement and Diversion Projects (\$2.9 million), partially offset by increased costs for Infrastructure – Sanitary Sewer Condition Assessment (\$1.8 million) and Sierra Road Sanitary Sewer Improvement (\$1.1 million).

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$115,522	\$26,849	\$55,114	\$28,265	\$0	\$28,265	24.5%

The **Ending Fund Balance** of \$55.1 million was \$28.3 million above the estimate used in the development of the 2021-2022 Adopted Budget. The actual ending fund balance was above the estimate largely due to lower than anticipated expenditures across several projects, including Urgent Rehabilitation and Repair Projects (\$9.0 million), Cast Iron Pipe – Remove and Replace (\$5.8 million), Condition Assessment Sewer Repairs (\$4.9 million), Immediate Replacement and Diversion Projects (\$4.2 million), Infrastructure – Sanitary Sewer Condition Assessment (\$2.2 million), Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements (\$1.0 million), Master Planning Updates (\$670,000), Preliminary Engineering – Sanitary Sewer (\$631,000), and the Reinforced Concrete Pipe Rehabilitation Program (\$500,000).

After accounting for all recommended adjustments in the Annual Report, the 2021-2022 Ending Fund Balance is recommended to be increased by approximately \$27.7 million for the SSUCC Fund and approximately \$557,000 for the Connection Fee Fund.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

TRANSIENT OCCUPANCY TAX FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	2020-2021 Budget	2020-2021 Actuals	Variance	% Variance
Revenues	\$8,474	\$8,092	(\$382)	(4.5%)
Expenditures	\$13,293	\$11,291	(\$2,002)	(15.1%)

Revenues generated from Transient Occupancy Tax (TOT) receipts, including related penalties, totaled \$8.1 million in 2020-2021. Including revenues from interest earnings (\$15,000) and special events permits (\$7,000), the 2020-2021 revenue level of \$8.1 million was approximately \$382,000 (4.5%) below the modified budget of \$8.5 million, and \$13.2 million (62.0%) below the prior year level of \$21.3 million. This successive annual decline exemplifies the continued impacts of the COVID-19 pandemic on the hospitality industry. The public health threat posed by COVID-19 abruptly disrupted business and leisure activity in the latter half of 2019-2020, resulting in plummeting demand for hotel rooms and revenue potential, during which occupancy reached an historic low of 15.13% in April 2020. While still suppressed relative to pre-COVID-19 levels, demand for hotel rooms stabilized from July 2020 to March 2021 and performance steadily improved from April 2021 through June 2021, coinciding with vaccination levels and the relaxation of public health restrictions. This gradual, incremental rebound was expected; however, the consistency and degree of this recent upward trajectory remain uncertain, especially as new variants of the virus emerge and continue to threaten public health.

Overall, the average room rate across the City's reporting hotels decreased by \$78.81 (from \$181.72 to \$102.91), with average occupancy decreasing 18.4% (from 57.56% to 39.15%). Occupancy levels ranged between 30.2% and 42.5% from July 2020 to March 2021, with room rates ranging between \$95.29 and \$105.11. However, room demand and revenues began to exhibit incremental gains over the final quarter of 2020-2021, closing at an occupancy rate of 52.31% and room rate of \$112.37 for June 2021. This incremental rebound is projected to continue into 2021-2022 under the assumption that business and leisure activities will steadily resume as public health restrictions are lifted or modified. Accordingly, the 2021-2022 Adopted Budget estimate of \$15.0 million assumed an 80.7% increase in TOT collections relative to 2020-2021 estimated receipts of \$8.3 million, based on modeling of the continued impacts of COVID-19 and segmentation of the San Jose market. Based on actual 2020-2021 collections, revenues now need to increase by 85.8% in 2021-2022 to meet budgeted levels.

Expenditures totaled \$11.3 million and were primarily for the transfer to the Convention and Cultural Affairs Fund (\$4.6 million), the San José Convention and Visitors Bureau (\$2.5 million), Cultural Grants (\$2.4 million), and Cultural Grants Administration (\$1.8 million). This expenditure level was \$2.0 million (15.1%) below the modified budget of \$13.3 million, and \$15.3 million (or 57.6%) below the prior year level of \$26.6 million. A total of \$1.8 million from 2020-2021 savings in the Cultural Grants and Cultural Grants Administration appropriations is recommended to be set aside in the Cultural Grants Reserve for future distribution as projections of TOT revenue performance for 2021-2022 are revisited during development of the 2022-2023 Preliminary Forecast in Fall 2021.

TRANSIENT OCCUPANCY TAX FUND

Because TOT receipts fell short of estimated levels for 2020-2021, reconciling reductions in 2021-2022 totaling approximately \$234,000 are recommended to the transfer to the Convention and Cultural Affairs Fund (\$177,000), San José Convention and Visitors Bureau (\$59,000), and Cultural Grants (\$59,000) appropriations.

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$13,742	\$393	\$2,069	\$1,676	\$0	\$1,676	12.2%

The **Ending Fund Balance** of \$2.1 million was \$1.7 million above the estimate used in the development of the 2021-2022 Adopted Budget, attributable to savings from the Cultural Grants and Cultural Grants Administration appropriations (\$1.9 million) that were partially offset by lower than expected TOT revenue (\$0.2 million). Net reconciling adjustments of \$1.7 million recommended in the Annual Report, inclusive of reductions to the transfer to the Convention and Cultural Affairs Fund and San José Convention and Visitors Bureau, result in a net-zero impact to the Ending Fund Balance for 2021-2022, fully allocating net savings for the establishment of the Cultural Grants Reserve.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

WATER UTILITY CAPITAL FUNDS

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$7,620	\$7,721	\$101	1.3%
Expenditures	\$17,383	\$8,579	(\$8,804)	(50.6%)

The Water Utility Capital Funds include the Water Utility Capital Fund and the Major Facilities Fund.

Revenues totaled \$7.7 million and were generated from a transfer from the Water Utility Fund (\$7.3 million), interest income (\$339,000), and fees paid by developers (\$82,000). The fees consist of Service Connection Fees (\$38,000), Major Facilities Fees (\$28,000), Meter Installation Fees (\$8,000), and Advanced System Design Fees (\$7,000). This revenue level was \$101,000 (1.3%) above the Modified Budget primarily due to interest income (\$94,000) and Major Facilities Fees (\$28,000), which are not assumed due to the unpredictable nature of this revenue stream, offset by lower revenue from other developer fees (\$21,000). Revenues were \$2.0 million (34.0%) above the prior year level of \$5.8 million, due primarily to an increased transfer from the Water Utility Fund for capital projects (\$2.5 million), offset by decreased Major Facility Fee revenue (\$268,000), decreased developer fee revenue (\$184,000) and decreased interest revenue (\$87,000).

Expenditures totaled \$8.6 million for several capital projects, the largest of which were the Fowler Pump Station Replacement (\$3.6 million), the Water Resources Administration & Operations Facility (\$1.7 million), Infrastructure Improvements (\$572,000), and Annual Water Main Replacement (\$555,000). This expenditure level was \$8.8 million (50.6%) below the Modified Budget and \$340,000 (4.1%) above the prior year level of \$8.2 million.

Expenditures were below the budget by \$8.8 million (50.6%) as a result of savings and unexpended funds across a number of projects, which included: Annual Water Main Replacement (\$2.8 million), North San José Well #5 Development and Construction (\$1.9 million), North San José Reliability Well #6 Construction (\$1.1 million), and the Water Resources Administration & Operations Facility (\$773,000). Several of these projects have been rebudgeted in the 2021-2022 Adopted Budget or are recommended to be rebudgeted in this report because of project delays. Expenditures were above the prior year primarily due to the start of the Water Resources Administration & Operations Facility project (\$1.7 million), as well as higher expenses for Fowler Pump Station Replacement (\$297,000) and Safety and Security Improvements (\$192,000), partially offset by decreased spending for Annual Water Main Replacement (\$930,000).

WATER UTILITY CAPITAL FUNDS

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$25,772	\$18,443	\$17,752	(\$691)	\$1,286	\$595	2.3%

The **Ending Fund Balance** of \$17.8 million was \$691,000 below the estimate used in the development of the 2021-2022 Adopted Budget. After accounting for rebudgets of \$1.3 million recommended in the Annual Report, this variance increases to \$595,000 above the estimate. A downward adjustment of \$3.1 million for the North San José Well Development Construction project is recommended in this report to correct an error during the development of the 2022-2026 Adopted Capital Improvement Plan.

After accounting for all recommended adjustments in the Annual Report, the 2021-2022 Ending Fund Balance is recommended to be increased by approximately \$16,000 for the Major Facilities Fund and approximately \$579,000 for the Water Utility Capital Fund.

III. PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

WATER UTILITY OPERATING FUND

Revenue and Expenditure Performance (\$ in Thousands)				
	<i>2020-2021 Budget</i>	<i>2020-2021 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$52,781	\$53,573	\$792	1.5%
Expenditures	\$57,630	\$57,950	\$320	0.6%

Revenues totaled \$53.6 million and were generated from potable (\$46.2 million) and recycled water (\$6.3 million) sales, late fees (\$892,000), interest earnings (\$124,000), and miscellaneous revenues (\$61,000). This revenue level was \$792,000 (1.5%) above the Modified Budget and \$1.8 million (3.5%) above the prior year level of \$51.8 million.

Revenues ended the year above the budget primarily due to higher than anticipated late fee revenues (\$592,000), potable water sales (\$435,000), and recycled water sales (\$114,000), offset by lower than anticipated interest revenue (\$331,000) and miscellaneous revenues (\$39,000). The increase over the prior year was due primarily to higher than anticipated potable water sales (\$924,000) and recycled water sales (\$708,000) and late fees (\$556,000), offset by lower miscellaneous revenues (\$284,000) and interest revenue (\$102,000).

Expenditures totaled \$58.0 million and were primarily for Environmental Services Department (ESD) non-personal/equipment costs of \$39.8 million (\$28.2 million was attributed to the purchase of wholesale potable water and \$5.4 million to wholesale recycled water), ESD personal services costs (\$7.4 million), a transfer to the Water Utility Capital Fund (\$7.3 million), and the reimbursement of overhead costs (\$1.8 million). This expenditure level was \$320,000 (0.6%) above the Modified Budget due to unexpected and required water purchase obligations in the fourth quarter of 2020-2021 resulting in a negative balance of \$942,000 in the ESD non-personal/equipment budget. This overage was corrected with a ratification by City Council on September 28, 2021. The expenditure level was \$5.1 million (9.6%) above the prior year level of \$52.9 million.

The variance to the budget was mainly due to higher ESD non-personal/equipment expenditures (\$942,000), offset by savings in Customer Information System Transition costs (\$142,000), Information Technology Department non-personal/equipment expenditures (\$128,000), City Attorney's Office personal services costs (\$127,000), and ESD personal services expenditures (\$80,000). Expenditures were above the prior year due primarily to a higher transfer to the Water Utility Capital Fund (\$2.5 million), higher ESD non-personal/equipment (\$2.0 million) and personal services (\$535,000) expenditures.

WATER UTILITY OPERATING FUND

Ending Fund Balance Performance (\$ in Thousands)						
<i>2020-2021 Modified Budget</i>	<i>2020-2021 Estimated Ending Fund Balance</i>	<i>2020-2021 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$70,469	\$13,665	\$13,424	(\$241)	\$0	(\$241)	(0.3%)

The **Ending Fund Balance** of \$13.4 million was \$241,000 below the estimate used in the development of the 2021-2022 Adopted Budget. The Ending Fund Balance was lower than the estimate primarily due to higher than estimated ESD non-personal/equipment costs (\$1.6 million), and lower than estimated interest revenues (\$310,000), offset primarily by higher water sales revenues (\$586,000) and late fee revenues (\$592,000). Accordingly, the 2021-2022 Ending Fund Balance in the Water Utility Fund is recommended to be decreased by \$241,000.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

RECOMMENDED BUDGET ADJUSTMENTS

This section of the Annual Report describes recommended budget adjustments and is broken down by General Fund and Special/Capital Funds. The following types of changes are included:

General Fund

Required Technical/Rebalancing Actions – These actions recommend adjustments to align already approved revenue estimates and expenditure budgets with the most current tracking information, reallocate funding for ongoing appropriations based on updated needs, correct technical problems in the 2021-2022 Adopted Budget, or comply with actions previously authorized by the City Council.

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

Special/Capital Funds

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

CLEAN-UP/REBUDGET ACTIONS

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

General Fund & Special/Capital Funds

Fund Balance Reconciliations – These actions revise the Beginning Fund Balance estimates in the 2021-2022 budget for all funds where the actual (unaudited) 2020-2021 Ending Fund Balance contained in the Comprehensive Annual Financial Report (CAFR) statements differ from the budgeted amount.

Rebudgets – These actions revise various appropriations to rebudget funds to complete prior year projects. Downward adjustments to previously approved rebudget actions are included if actual year-end revenues or expenditures were higher than anticipated, while upward adjustments are included if actual year-end revenues or expenditures were lower than anticipated.

Technical Adjustments – These actions align revenues and/or expenditures among appropriations, funds, and/or categories for previously approved budget actions or reconcile revenues with expenditures to close out the previous fiscal year. Summaries of each of these adjustments are provided below:

- **Net-Zero Funding Transfers/Reallocations** – These actions include net-zero transfers between appropriations, funds, and revenue categories and the redistribution of funding allocations.

J = **Appropriation Department Change** – realign appropriations with Departments responsible for the funds.

J = **Appropriation Name Change** – renames appropriations to better align with the intended use of the funds.

J = **Funding Reallocation / Shifts** – reallocates funds for the same purpose that was previously approved by City Council to another appropriation, fund, or revenue category to better track the funding; to align funding with an appropriation best suited for the intended use (e.g., Non-Personal/Equipment to Personal Services, Non-Personal/Equipment to a City-Wide Expenses appropriation); or to shift funds to the appropriate funding source.

- **San Jose Downtown Association / Transfers and Reimbursements** – As directed by City Council’s approval of the Mayor’s June Budget Message for Fiscal Year 2021-2022, the City Manager was directed to transfer \$100,000 in one-time funds from the General Purpose Parking Fund to the General Fund for San Jose Downtown Association to support Downtown Ice. This technical adjustment is necessary to correct the inadvertent omission of the City-wide Expenses appropriation as part of the development of the 2021-2022 Adopted Budget.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

CLEAN-UP/REBUDGET ACTIONS

General Fund & Special/Capital Funds

- **Measure E** – Reallocates Program Administration savings and adjusts appropriations to align budgeted expenses with the actual performance. The Measure E revenue reconciliations results in upward adjustments to: Measure E – 45% Extremely Low Income Reserve (\$698,129); Measure E – 35% Low Income Reserve (\$542,989); Measure E – 10% Moderate Income Reserve (\$155,140); and Measure E – Homelessness Prevention Reserve (\$155,140).
- **Gift Trust Fund Reconciliation** – These technical actions allocate the actual revenues received in 2020-2021 that were not incorporated into the 2021-2022 Adopted Budget for existing gifts, as well as rebudgeted gifts that were anticipated to be spent in 2020-2021, but had funds remaining. The Gift Trust Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City, and funds deposited may only be used for the specified gifts as indicated.
- **Restricted Revenue/Expenditure Reconciliations** – These actions adjust appropriations to align budgeted revenues and expenses with the actual performance of restricted revenues/expenditures. Reconciliations of these revenues and expenditures for these programs are conducted to determine if revenues exceeded or fell below costs. To meet the commitment to the restricted funding source, all related funds are used solely to support the respective programs. Some examples of these program reconciliations with actions recommended in this report include:
 - J = 4th Street Garage Banquet Facility Maintenance and Operations
 - J = Artificial Turf Capital Replacement Reserve
 - J = Certified Access Specialist Program (CASP)
 - J = Contractual Street Tree Planting
 - J = Digital Inclusion Program
 - J = Public, Education, and Government (PEG) Access Program
 - J = Cardroom Fee
- **Restricted Revenue/Expenditure Special/Capital Fund Reconciliations** – These actions adjust appropriations to align budgeted revenues and expenses with the actual performance within a Special/Capital Fund. Transfers are made in the Special/Capital Fund from subaccounts within the respective Special/Capital Fund with corresponding actions to reserves or the Ending Fund Balance associated with the subaccount. Examples of Funds with the subaccounts are the Contingent Lien District Fund, Construction Excise Tax Fund, and Multi-Source Housing Fund.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Required Technical- Rebalancing Actions	4th of July Celebration As directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by City Council, this action establishes the 4th of July Celebration City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$250,000 to support costs associated with a 4th of July pyrotechnic event at Discovery Meadow in July 2022. While the Administration may work with other groups to host the celebration, this allocation provides the estimated costs for a pyrotechnic contract, event production, marketing and communications, and City costs for traffic control, permits, and related City services.	City Manager - Office of Economic Development and Cultural Affairs	-	\$250,000	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Diridon Station Area Development Planning</p> <p>This action increases the Diridon Station Area Development Planning appropriation in the amount of \$449,543. A portion of the amount, \$399,543, is savings reallocated from the Diridon Station Area Development Planning – Post Application appropriation. The remaining \$50,000 recognizes funding received from Google in 2020-2021 as a reimbursement to the City for the services performed related to the Urban Community for the Diridon Station Area Development project including project management, project construction work, and development facilitation. Both appropriations are fully funded by the City's Funding and Reimbursement Agreement with Google for work related to the Downtown West development project and other Diridon Station Area planning efforts. The funds provided by Google were allocated to separate appropriations for tracking purposes. The savings generated in the Diridon Station Area Development Planning – Post Application appropriation is due to Development Services expenditures being lower than originally anticipated for the City Council approved Downtown West project and City's plans for the Diridon Station Area. Reallocating the savings will enable staff the flexibility to support various work items, consistent with the Funding and Reimbursement Agreement, as they continue on the next phase of development review for the Downtown West project and related Diridon Station Area plans. In addition to processing conformance review applications for Downtown West, staff will work on: Infrastructure/Amenities Analysis, Diridon Financing Plan, District-wide Parking Plan, Diridon Station Area Amendments, CEQA process, and ongoing public outreach, including language services.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	-	\$449,543	-
<p>Non-Personal/Equipment (Energy and Water Building Performance Ordinance)</p> <p>This action increases the Non-Personal/Equipment appropriation to the Environmental Services Department by \$35,000. This funding will be used to support expenditures associated with the Energy and Water Building Performance Ordinance fee program, including costs for improvements to the customer interaction system and contractual support for a variety of administrative and technical aspects of the program.</p>	<p>Environmental Services Department</p>	-	\$35,000	-

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfer to the Integrated Waste Management Fund (RAPID Equipment Reimbursement)	Environmental Services Department	-	\$101,797	-
<p>This action establishes a Transfer to the Integrated Waste Management (IWM) Fund in the amount of \$101,797 to reimburse the fund for vehicles previously purchased for the Rapid Team, as adjusted for depreciation. The 2021-2022 Adopted Budget shifted the Rapid Team from the Environmental Services Department to the Parks Recreation and Neighborhood Services Department as part of the BeautifySJ management consolidation, including all non-personal/equipment funding for contractual services, supplies, and materials. This transfer from the General Fund appropriately compensates the IWM Fund for its previous investment in purchasing the vehicles. A corresponding action to increase the estimate for revenue from Transfers and Reimbursements in the IWM Fund is also recommended elsewhere in this report.</p>				
Transfers and Reimbursements (CDDD Revenue)	Environmental Services Department	-	-	(\$150,000)
<p>This action decreases the estimate for revenue from Transfers and Reimbursements by \$150,000 to account for the elimination of the transfer from the Integrated Waste Management (IWM) Fund for Construction and Demolition Diversion Deposit (CDDD) revenue. Typically, any forfeited deposits are transferred to the General Fund after ensuring that all applicable expenses in the IWM Fund are met. However, a reconciliation of actual revenues and expenses for 2020-2021 has determined that these funds are needed by the CDDD program to ensure cost recovery in the IWM Fund. There is a corresponding action to decrease the Transfer to the General Fund - CDDD Revenue in the IWM Fund.</p>				
Insurance Premiums	Finance Department	-	\$300,000	-
<p>This action increases the Insurance Premiums City-Wide Expenses appropriation to the Finance Department by \$300,000, from \$1.52 million to \$1.82 million, to support additional costs for the City's insurance coverage and annual renewals. These additional costs are a result of coverage updates and premium increases for the City's overall insurance program, which includes property/casualty and flood excess insurance products and law enforcement professional liability insurance, for annual policy periods starting October 1, 2021.</p>				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Emergency Fire Equipment Reserve	Fire Department	-	\$500,000	-
<p>This action establishes the Emergency Fire Equipment Reserve in the amount of \$500,000 to set aside funding for emergency fire equipment replacement. Funding is anticipated to be needed in the current year to replace lifesaving medical equipment and radios that have reached the end of their useful life. Additionally, a reserve is being established in the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes Fund in the amount of \$1.4 million for the same purpose. As costs and needs arise for these items, the Administration will recommend allocating all or a portion of this reserve as part of a future budget process.</p>				
Non-Personal/Equipment (Academy Equipment/Tools Replacement)	Fire Department	-	\$59,130	-
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$59,130. On June 22, 2021, the Fire Department's Training Center experienced a burglary incident while the facility was closed. It was discovered that a variety of Firefighter Academy tools were missing including: chainsaws, rescue saws, extraction tools, and rescue kits. This action will replace the stolen items that are needed for the current academy along with the upcoming Firefighter Academy that will begin in November 2021.</p>				
Non-Personal/Equipment (Aircraft Rescue/Fire Fighting Services)	Fire Department	-	\$57,374	-
<p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$57,374 for training needs for the Aircraft Rescue and Fire Fighting Program. During the development of the 2021-2022 Adopted Operating Budget, a transfer from the Airport Maintenance and Operations Fund to the General Fund in the amount of \$8.1 million for aircraft rescue and firefighting services was included to fully cover costs associated with the program. While the \$8.1 million transfer is inclusive of all program costs, the Fire Department's Base Budget for this program was understated by \$57,374. This action corrects the budget allocation for the program.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Computer Aided Dispatch System)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$130,000. The County of Santa Clara will be updating their Communication Computer Aided Dispatch (CAD) System in April 2022. Currently, the County of Santa Clara and the San José Fire Department have compatible CAD systems to communicate with each other during emergency dispatch. With this updated CAD system, the Fire Department will need to update their own system to communicate with other agencies within the County Service Area.</p>	Fire Department	-	\$130,000	-
<p>Measure E - 35% Low Income Reserve</p> <p>This action decreases the Measure E - 35% Low Income Reserve appropriation by \$1.0 million, from \$30.27 million to \$29.27 million, to offset the corresponding increase to the Measure E - Quetzal Garden appropriation to support the completion of the Quetzal Garden affordable housing project.</p>	Housing Department	-	(\$1,000,000)	-
<p>Measure E - Quetzal Garden</p> <p>This action establishes the Measure E - Quetzal Garden appropriation to the Housing Department in the amount of \$1.0 million to support the completion of the Quetzal Garden affordable housing project. The City is currently committed to providing \$9,984,212 in soft debt loan financing for this project. This funding will close the financing gap and fully fund the project. The funding specifically supports creating the community serving ground floor facility that will create a new home for Somos Mayfair, Excite Credit Union, and a small business incubator sponsored by the Latino Business Association. A corresponding decrease to the Measure E - 35% Low Income Reserve appropriation is recommended in this report to offset this action.</p>	Housing Department	-	\$1,000,000	-
<p>City Health Plan Incentive</p> <p>This action increases the City Health Plan Incentive City-Wide Expenses appropriation to the Human Resources Department by \$57,750 to support the diversification of enrollment populations across both available healthcare plans. This funding will support financial incentives to encourage employees to enroll in the City-offered health plan with the lowest enrollment.</p>	Human Resources Department	-	\$57,750	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Learning and Development)</p> <p>This action decreases the Human Resources Department's Non-Personal/Equipment appropriation by \$185,000 to reallocate funds to the Human Resources Department's Personal Services appropriation to support temporary staffing in the Learning and Development Program to assist with the development of training plans, secure and manage vendors, ensure effective delivery, and evaluate training documents and processes for potential improvement. Funding for the Learning and Development program was allocated to the non-personal/equipment budget until the needs of the program were identified and corresponding adjustments would be recommended. This action aligns the program's needs between the Personal Services and Non-Personal/Equipment appropriations. A corresponding increase to the Human Resources Department's Personal Services appropriation is recommended elsewhere in this report to offset this action.</p>	Human Resources Department	-	(\$185,000)	-
<p>Personal Services (Learning and Development)</p> <p>This action increases the Human Resources Department's Personal Services appropriation by \$185,000 for temporary staffing in the Learning and Development Program to assist with the development of training plans, secure and manage vendors, ensure effective delivery, and evaluate training documents and processes for potential improvement. A corresponding decrease to the Human Resources Department's Non- Personal/Equipment appropriation is recommended elsewhere in this report to offset this action.</p>	Human Resources Department	-	\$185,000	-

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from the Self-Insured Medical Fund)	Human Resources Department	-	-	\$446,842

This action increases the revenue estimate for Transfers and Reimbursements by \$446,842 to recognize a transfer from the Self-Insured Medical Fund. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. This amount reflects the remaining balance in the fund that can be returned to the General Fund. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment. This transfer reflects the fund balance that is left in this fund after the close-out period. A final reconciliation of this fund and a transfer of any remaining fund balance will be included as part of the 2021-2022 Mid-Year Budget Review.

Non-Personal/Equipment (Microsoft O365 Licensing)	Information Technology Department	-	\$45,000	-
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This action increases the Information Technology Department's Non-Personal/Equipment appropriation by \$45,000 to upgrade 400 E1 Microsoft O365 licenses to E3 licenses for the Police Department and the Office of Emergency Management. In February 2021, the Information Technology Department worked with departments to right-size the organization's Microsoft Office licensing needs to conserve costs. The Police Department identified the opportunity to convert enterprise productivity and collaboration tools to all-online licenses (E1). However, when implemented, Police Department users reported an issue when using E1 licenses that makes opening, editing, and saving shared drive files difficult. Most of the staff in Police Department are using Group Drive shared folders, thus multiplying the impact. As a result, the Police Department has requested all Police Department employees to have E3 licenses. The Office of Emergency Management has requested to upgrade approximately 50 E1 licenses to E3 due to the potential of telecommunication interruptions during disasters, which would cause E1 licenses to be inaccessible.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants (Pacific Library Partnership - Lunch at the Library)	Library Department	-	\$6,390	-
<p>This action increases the Library Grants appropriation to the Library Department by \$6,390 to implement the Summer 2021 Lunch at the Library program. A grant in the amount of \$12,600 from the Pacific Library Partnership was received in 2020-2021, of which \$6,210 was spent. This action captures the remaining planned expenditures of this grant for 2021-2022.</p>				
Office of the Mayor (City Attorney Support for Public Safety Initiatives)	Mayor & City Council	-	(\$100,000)	-
<p>As directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by City Council, this action decreases the Office of the Mayor's appropriation by \$100,000, and reallocates the funding to the Office of the City Attorney's Personal Services appropriation, to support costs for an Associate City Attorney working on gun violence restraining orders and criminal litigation. A corresponding increase to the Office of the City Attorney's Personal Services appropriation is recommended elsewhere in this report to offset this action.</p>				
City Attorney's Office Outside Litigation Reserve	Office of the City Attorney	-	\$190,000	-
<p>This action increases the City Attorney's Office Outside Litigation Reserve by \$190,000, from \$810,000 to \$1.0 million, to ensure there is sufficient funding to support costs incurred for contracted litigation services and outside counsel, as needed by the City Attorney's Office. This action restores the reserve back to the initial amount as a portion of the reserve was used in Fiscal Year 2020-2021 to support the cost for an Associate City Attorney, as directed in the Mayor's June Budget Message (\$90,000), and to restore \$100,000 that was budgeted to the City Attorney's Office Non-Personal/Equipment appropriation but was not expended at the end of the fiscal year.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Legal Services for Redistricting Commission)</p> <p>This action increases the Office of the City Attorney's Non-Personal/Equipment appropriation by \$60,000 for legal services to support the Redistricting Commission. An expert demographer consultant is necessary to provide demographic analysis of Census data to advise and assist the City, through the City Attorney's Office, in redistricting its Council Districts to comply with Section 2 of the US Voting Rights Acts, which prohibits voting practices or procedures that discriminate on the basis of race, color, or membership in certain language minority groups.</p>	Office of the City Attorney	-	\$60,000	-
<p>Personal Services (Public Safety Initiatives)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by City Council, this action increases the Office of the City Attorney's Personal Services appropriation by \$100,000, allocated from the Office of the Mayor's budget, to support costs for an Associate City Attorney working on gun violence restraining orders and criminal litigation. A corresponding decrease to the Office of the Mayor's budget is recommended elsewhere in this report to offset this action.</p>	Office of the City Attorney	-	\$100,000	-
<p>Personal Services (Staff Funding Shift)</p> <p>This action shifts funding of \$78,357 in the Office of the City Attorney's Personal Services appropriation from the San José Clean Energy Fund to the General Fund to accurately reflect the projected work with the corresponding funding source. A corresponding decrease to the Office of the City Attorney's Personal Services appropriation in the San José Clean Energy Fund is recommended elsewhere in this report to offset this action.</p>	Office of the City Attorney	-	\$78,357	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
2022-2023 Future Deficit Reserve	Office of the City Manager	-	\$28,300,000	-

This action establishes the 2022-2023 Future Deficit Reserve in the amount of \$28.3 million. Of the \$38.3 million General Fund shortfall that was fully addressed in the 2021-2022 Adopted Operating Budget, only \$6.7 million was resolved on an ongoing basis. When combined with the \$35.0 million shortfall for 2022-2023 as estimated in the Five-Year Forecast released at the end of February 2021, the estimated General Fund shortfall for 2022-2023 stands at \$28.3 million. In accordance with City Council Policy 1-18, "the first increment of any General Fund 'Ending Fund Balance' identified in the City Manager's Annual Report shall be allocated to offset any projected deficit for the following fiscal year, after necessary appropriation adjustment actions to rebudget funds, correct errors, or reflect updated cost information have been accounted for in the fund balance reconciliation". While fourth quarter performance indicates that revenue growth may be outpacing previous expectations, the Administration does not have the ability to update the shortfall figure until it completes a revised analysis of expected economic conditions and anticipated base budget expenditure costs, which will begin in October and complete with the issuance of a new Five-Year Forecast at the end of February 2022.

Berryessa Flea Market Vendor Business Transition Fund Reserve	Office of the City Manager	-	\$2,500,000	-
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This action provides a City match of \$2.5 million to the Berryessa Flea Market Vendor Business Transition Fund Reserve in accordance with direction received from the City Council at the conclusion of their meeting on June 29, 2021 regarding the Berryessa BART Urban Village Plan and Flea Market Rezoning. Separate memoranda from Mayor Liccardo and Councilmember Carrasco directed the City Manager to leverage funding from the American Rescue Plan Fund, if eligible, to match the commitment from the Developer in their establishment of the Transition Fund. After review of U.S. Treasury regulations, direct use of the American Rescue Plan Fund is likely not eligible for this purpose. As an alternative, \$2.5 million of General Fund resources will be allocated to the Transition Fund.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Budget Stabilization Reserve</p> <p>This action increases the Budget Stabilization Reserve by \$12.9 million, from \$33.6 million to \$46.5 million, in accordance with City Council Policy 1-18 to maintain an adequate reserve level to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budgeted resources in any given year. The Budget Stabilization Reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This action, along with the action to increase the Contingency Reserve by \$500,000 to reach a level of \$40.5 million, and the existing budgeted funds for the Workers' Compensation/General Liability Catastrophic Reserve at \$15.0 million, brings the total General Purpose Reserve level to 7.6% of General Fund operating expenditures. The target set in City Council Policy 1-18 is 10%.</p>	Office of the City Manager	-	\$12,937,000	-
<p>Contingency Reserve</p> <p>This action increases the Contingency Reserve by \$500,000, from \$40.0 million to \$40.5 million, in accordance with Council Policy 1-18 which provides for the maintenance of a minimum 3% Contingency Reserve in the General Fund to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. It is important to note, however, that if this Contingency Reserve is ever needed, it is only sufficient to cover General Fund payroll expenditures for approximately two weeks in the event of an emergency.</p>	Office of the City Manager	-	\$500,000	-
<p>FEMA Non-Reimbursable Expenses Reserve</p> <p>This action establishes the FEMA Non-Reimbursable Expenses Reserve in the amount of \$10.0 million to set aside funding in the event that expenses incurred by the City in response to the COVID-19 pandemic, for which the City is actively pursuing reimbursement through the Federal Emergency Management Agency, are later determined as ineligible for reimbursement. As the timing of federal application review and audit is uncertain, this reserve also positions the City to respond to reimbursement determinations in a timely manner.</p>	Office of the City Manager	-	\$10,000,000	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>2022-2023 San Jose BEST Accountability and Oversight Improvements Reserve</p> <p>This action establishes a reserve in the amount of \$330,000 for San José BEST Accountability and Oversight Improvements in 2022-2023. Funding will ensure the Senior Analyst and the Analyst positions will continue through June 30, 2023. Corresponding actions to establish a San José BEST Accountability and Oversight City-Wide Expenses appropriation in the amount of \$170,000 is included elsewhere in this report to improve San José BEST contract management and accountability and expand the program's evaluation design to include individual outcome assessments in 2021-2022.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$330,000	-
<p>Artificial Turf Capital Replacement Reserve</p> <p>This action increases the Artificial Turf Capital Replacement Reserve by \$200,000, from \$2.9 million to \$3.1 million, due to unused funds from the Smythe Sports Field Turf Replacement appropriation. Funding in this reserve will help fund future artificial turf replacements.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$200,000	-
<p>BeautifySJ Grants</p> <p>This action increases the BeautifySJ Grants City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department (PRNS) by \$15,014, currently \$388,000, to reflect unused funds returned to the City. The BeautifySJ grant program disburses small grants to neighborhood organizations through a fiscal agent. After the grant period is over, the fiscal agent reviews the services provided by the grantees, and collects the unspent funds from the neighborhood groups and returns the funds back to the City. This action will allow BeautifySJ to reallocate the funds to other BeautifySJ grant recipients.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$15,014	-

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Pest and Turf Management Team)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by the City Council, this action reallocates \$12,500 of year-end savings to the Parks, Recreation and Neighborhood Services Department's (PRNS) Non-Personal/Equipment appropriation for necessary tools and equipment to help facilitate projects coordinated by the Pest and Turf Management Team, as described elsewhere in this report. Corresponding actions to increase PRNS's Personal Services appropriation and to establish a Pest and Turf Management Team Reserve are recommended elsewhere in this report to fully fund the team for 2021-2022 through 2022-2023.</p>	Parks, Recreation and Neighborhood Services Department	-	\$12,500	-
<p>Personal Services (Pest and Turf Management Team)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by the City Council, this action reallocates \$425,000 of year-end savings to the Parks, Recreation and Neighborhood Services Department's (PRNS) Personal Services appropriation to reestablish the Pest and Turf Management Team in 2021-2022. This team works to maintain turf conditions through the removal of pests from parks and fields in safe, humane, and environmentally friendly manner. Corresponding actions to increase PRNS's non-personal/equipment funding for necessary tools and equipment and to establish a Pest and Turf Management Team Reserve to fully fund the team through 2022-2023, are recommended elsewhere in this report.</p>	Parks, Recreation and Neighborhood Services Department	-	\$425,000	-
<p>Pest and Turf Management Team Reserve</p> <p>This action establishes a reserve in the amount of \$1.0 million to fund the Pest and Turf Management Team in 2022-2023. This reserve will cover staffing and non-personal/equipment costs in 2022-2023. Corresponding actions to increase Parks, Recreation and Neighborhood Services Department's Personal Services and Non-Personal/Equipment appropriations are recommended elsewhere in this report to fully fund the team in 2021-2022.</p>	Parks, Recreation and Neighborhood Services Department	-	\$1,000,000	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
San José BEST Accountability and Oversight Improvements	Parks, Recreation and Neighborhood Services Department	-	\$170,000	-

As directed by City Council's approval of the Mayor's June Budget Message for Fiscal Year 2021-2022, this action reallocates year-end savings to establish a San José BEST Accountability and Oversight City-Wide Expenses appropriation of \$170,000 to the Parks, Recreation, and Neighborhood Services Department. Funding of \$120,000 will provide for temporary Senior Analyst and Analyst I/II positions and \$50,000 to procure a Client Management System (CMS). Over an eighteen-month period, these resources will be focused on improving San José BEST contract management and accountability and expand the program's evaluation design to include individual outcome assessments. The Senior Analyst would manage the existing team's data sharing, collection and analysis efforts related to data-sharing partnerships with key stakeholder agencies; lead the development, implementation, and management of 1) a CMS system; and 2) further efforts to improve performance data collection tools. The Analyst will provide enhancements in day-to-day contract monitoring, grantee technical assistance, and accountability measures as well as assist with the grant application process, contract development and execution.

The CMS will be used to collect and track activity and participant data that will be used to evaluate the San José BEST Grant Program's performance in terms of "direct impacts" to the community in areas such as academic performance, truancy/graduation rates, and arrest/incarceration rates.

A corresponding action to establish a San José BEST Accountability and Oversight Improvements Reserve is recommended elsewhere in this report to extend funding for the positions through 2022-2023. An evaluation of these one-time accountability and oversight enhancements will help inform the level of ongoing support that may be considered during the 2023-2024 budget development process.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Code Enforcement Permit System Reserve This action increases the Code Enforcement Permit System Reserve by \$400,000, from \$1.9 million to \$2.3 million. The Multiple Housing Code Enforcement Program is a full cost recovery program funded through fees, and the program ended 2020-2021 with expenditure savings totaling \$400,000 after rebudgets and necessary clean-up actions. This funding will be set aside for a future software upgrade of the City's Code Enforcement Permit System.	Planning, Building and Code Enforcement Department	-	\$400,000	-
Solid Waste Code Enforcement Program Reserve This action establishes the Solid Waste Code Enforcement Program Reserve in the amount of \$400,000. The Solid Waste Code Enforcement Program is a full cost recovery program funded through fees, and the program ended 2020-2021 with expenditure savings totaling \$400,000. This funding will be set aside for future use by the Solid Waste Code Enforcement Program.	Planning, Building and Code Enforcement Department	-	\$400,000	-
Transfer to the Building Development Fee Program Fund (2017 Flood - Building Permit and Inspection Fee Waivers) This action establishes a Transfer to the Building Development Fee Program Fund from the General Fund in the amount of \$96 to reimburse the Building Development Fee Program Fund for waived building permit and inspection fees to assist homeowners with repairs related to the 2017 Coyote Creek flood.	Planning, Building and Code Enforcement Department	-	\$96	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Coyote Creek Trail Patrol	Police Department	-	\$400,000	-

This action establishes the Coyote Creek Trail Patrol City-Wide Expenses appropriation to the Police Department in the amount of \$400,000. City Council's approval of the Mayor's March Budget Message for Fiscal Year 2021-2022 prioritized funding for enhanced maintenance and safety of the Guadalupe River Park as well as the Coyote Creek Trail. This allocation provides matching funding for an agreement with the Santa Clara Valley Water District (SCVWD), which aligns with previous agreements the City has had with SCVWD over the years to fund safety-related programs. These funds will provide police officers to maintain a law enforcement presence on the Coyote Creek Trail from William Street to Tully Road for 10 hours a day, 7 days per week to address criminal activity within waterways. The hours on the trail will be flexible and patrolled during peak pedestrian traffic times. This section of the Coyote Creek Trail is new and is anticipated to have high usage. By providing proactive law enforcement presence along the trail, it will ensure public safety. For this Coyote Creek Trail presence, the City and SCVWD are currently working on an agreement which each party will equally contribute \$400,000, for a total of \$800,000. This action appropriates the City's share of the anticipated agreement. The term of the agreement is for one year and is still under development. It is anticipated that the agreement and the corresponding budget adjustments related to the SCVWD's share will be brought forward as part of a Council memorandum for City Council approval tentatively in November 2021.

Non-Personal/Equipment (Gaming Background Services)	Police Department	-	\$60,000	-
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This action increases the Police Department's Non-Personal/Equipment appropriation by \$60,000 to cover an additional financial background agreement. A contribution of \$60,000 was received in 2020-2021 from Knighted Ventures to fund the agreement. The consultant agreement will support an in-depth financial background investigation for each entity applicant and each entity associated with an individual/ trust applicant.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Recruiting/Marketing)	Police Department	-	\$125,000	-

This action increases the Police Department's Non-Personal/Equipment appropriation by \$125,000 to support job fairs and recruiting events; to fund contractual services for targeted radio, print, and social media marketing; and conduct outreach in publications, at community colleges, and at military agencies. A contract for similar services lapsed in April 2021, after which the Police Department saw a drop in qualified applicants for recruit academies. This action ensures sufficient funding is in place to provide a similar level of service for future academies. The Police Department has approximately 60 vacant positions as of August 27, 2021 (including 12 sworn positions and 48 civilian positions) and will continue their aggressive efforts to hire for the June Police Recruit Academy (the October Academy is set and the February Academy has begun background investigations), 9-1-1 Emergency Communications Center civilian positions, and other civilian position vacancies in the Department.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Public Records Act Temporary Staff)	Police Department	-	\$350,000	-

This action increases the Police Department's Personal Services appropriation by \$350,000 to fund eight rehired retirees to address the increasing workload associated with recent amendments to the California Public Records Act (CPRA) and the volume of records requests. This action increases the amount of staffing supporting public records requests to 33, including 10 full-time personnel and 23 staff working part-time. Currently, the Department is budgeted for 9 positions for this activity; however, through a combination of internal temporary staff reassignments, staff on modified duty, and part-time temporary help, there are 25 staff currently working on this assignment. On September 30, 2018, California Senate Bill (SB) 1421 was approved by Governor Brown, amending Penal Code (PC) Sections 832.7 and 832.8 relating to peace officer personnel records and other records maintained by the Department, effective January 1, 2019. Records that are now subject to public disclosure under PC 832.7, as amended, include: all investigative reports; photographic, audio, and video evidence; and transcripts or recordings of interviews. SB 1421 additionally required that certain peace officer personnel records and records relating to specified incidents, complaints, and investigations involving peace officers be made available for public inspection. Even with recent technology improvements to assist with video redaction, the backlog of requests remains high. These temporary staff will provide capacity for the processing, redaction, and production of video requests for body worn camera footage, as well as the establishment of departmental procedures, coordination with the Office of the City Attorney, compliance with policies, and the collection of applicable fees.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Capital Program and Public Works Department Support Service Costs (General Obligation Bond Fund)	Public Works Department	-	\$85,000	-

This action establishes the Capital Program and Public Works Department Support Service Costs appropriation to the Public Works Department in the amount of \$85,000 in the General Fund. The City has issued multiple General Obligation bonds for various capital projects that require the support of the Public Works Department. Some of the support service costs are ineligible for reimbursement through the General Obligation bond proceeds. This allocation will cover the estimated costs that are ineligible for reimbursement through General Obligation bond projects in 2021-2022.

Emergency Operations Center Relocation Capital Contributions/Other Revenue (Commercial Paper)	Public Works Department	-	(\$4,200,000)	(\$4,200,000)
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This action decreases the Emergency Operations Center Relocation Capital Contributions and the corresponding estimate for Other Revenue (Commercial Paper) by \$4.2 million. The primary funding source for the Emergency Operations Center Relocation project is the Public Safety and Infrastructure Bond Fund (Measure T). Given the project timeline and when the second bond issuance was scheduled, the authorization of commercial paper was necessary to ensure sufficient funding was available for the project in advance of the second bond issuance. However, as the issuance occurred in July 2021, commercial paper is no longer needed and the corresponding expenditures can be directly charged against Measure T resources. A corresponding increase is included in the Public Safety and Infrastructure Bond Fund elsewhere in this report.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Police Training Center Maintenance and Operations)	Public Works Department	-	\$40,700	-

This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$40,700 to fund the maintenance and operations costs of the new Police Training Center facility. In July 2021, the City took ownership of an existing building at 300 Enzo Drive which will become the future site of a new Police Training Center. The funding will cover costs for utilities, telecommunications, alarm services, landscaping, and other operating needs of the facility until renovations are completed and the property is occupied by the Police Department. This funding will be included on a one-time basis in future Base Budgets until the renovated facility is delivered to the Police Department.

	-	(\$3,903,158)
Required Technical-Rebalancing Actions		\$56,370,651

CityView Acquisition Project/Other Revenue	City Manager - Office of Economic Development and Cultural Affairs	-	\$1,599,603	\$1,599,603
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This action establishes the CityView Acquisition Project City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$1,599,603 and increases the corresponding estimate for Other Revenue to recognize funding from SJ City View, LLC to reimburse the City for any City-incurred costs, fees, and expenses associated with the acquisition of four parcels located at the Park Avenue public right-of-way between Market St and South Almaden Blvd. SJ City View, LLC provided additional funds in anticipation of costs associated with the acquisition, the cost breakdown is as follows: \$1,176,637 related to the acquisition of Parcel B, \$347,966 related to the acquisition of Parcel C, and \$75,000 for outside legal counsel.

Grants-Reimbursements-Fees

National Endowment for the Arts for Creative Ambassadors/Revenue from Federal Government	City Manager - Office of Economic Development and Cultural Affairs	-	\$30,000	\$30,000
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This action establishes the National Endowment for the Arts for Creative Ambassadors City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$30,000 and increases the corresponding estimate for Revenue from the Federal Government to support the commission of local artists through a Creative Ambassador Program. The program hopes to engage members of the public in participatory creative experiences citywide.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>work2future San José Job Center Relocation/Other Revenue</p> <p>This action establishes the work2future San José Job Center Relocation City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$300,000 and increases the corresponding estimate for Other Revenue to recognize funding contributions from Google. On September 21, 2021, the City Council approved the acceptance of the contribution from Google as part of Google's commitment to partner with work2future in its efforts to help Santa Clara County residents obtain the skills and coaching they need to find a new job, get a promotion, or start a new career and to support provision of client services at the new job center. The funding will support moving costs, tenant site improvements, and technology upgrades at the new work2future San Jose Job Center location at 1608 Las Plumas Avenue.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	-	\$300,000	\$300,000
<p>Diridon Station Area Development Planning - Electric Microgrid (Shift from Office of Economic Development Cultural Affairs to Community Energy Department)/Other Revenue</p> <p>This action reestablishes the Diridon Station Area Development Planning – Electric Microgrid City-Wide Expenses appropriation to the Community Energy Department (previously managed by the Office of Economic Development and Cultural Affairs) and increases the corresponding estimate for Other Revenue in the amount of \$482,500 to recognize reimbursement from Google in accordance with Addendum #4 to the agreement previously approved regarding the development of the Diridon Station Area on June 17, 2019. This funding continues the work underway for Google's Downtown West Mixed-Use Project. Funding will support staff and consultant costs through December 31, 2021 to develop a business plan and a legal and regulatory roadmap toward a set of comprehensive analysis for City Council consideration of a City-owned and operated electric system and possible future agreements between the City and Google for the provision of electric service.</p>	<p>Community Energy Department</p>	-	\$482,500	\$482,500

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (CLLS Adult Literacy and Family Literacy Services)	Library Department	-	\$171,573	\$171,573

This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$171,573 to recognize the receipt of a California Library Literacy Services grants. This funding will allow the purchase of books, materials, and software to support the Adult Literacy Services (\$97,573) and Families Literacy Services (\$74,000) programs. The literacy programs seek to increase basic literacy skills of adult parents and caregivers via one-to-one or small group learning sessions with trained volunteer tutors. Through these sessions, adults can also better address the literacy needs of their children with the goal of interrupting the cycle of generational low literacy.

Library Grants/Revenue from State of California (First 5 Santa Clara County- Bridge Library Services and Family Friends Neighbors)	Library Department	-	\$170,990	\$170,990
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This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from the State of California by \$170,990 to recognize funding from First Five Santa Clara County for Bridge Library Services (\$72,990) and Family Friends Neighbors project (\$98,000) at two bridge libraries--Child Advocacy Center and Valley Palms Apartment Complex. This funding helps improve access for children prenatal through age 5 and their families to high quality services that promote healthy, thriving children who are ready to succeed in school and achieve their full potential.

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
SJPL Foundation Grants/Other Revenue (Childcare Workforce Development)	Library Department	-	\$126,000	\$126,000
<p>This action recognizes grant funding in the amount of \$126,000 from San José Public Library Foundation and increases the appropriation for the San José Public Library Foundation Grants. A total of \$250,000 was originally provided in 2019-2020 for the Library Department to evaluate, design, and launch a child care provider training program. Funding will provide for a temporary Literacy Program Specialist to coordinate with other partners to develop an outreach and engagement strategy for informal and license-exempt childcare providers; partner with education providers to support development of the training program; and develop multi-year strategy to continue services, including fundraising and other opportunities.</p>				
Council District #05/Other Revenue (Sponsorships)	Mayor & City Council	-	\$12,500	\$9,500
<p>This action increases Council District #05 appropriation by \$12,500 and increases the estimate for Other Revenue by \$9,500 to recognize revenues received by various businesses and individuals donated for special events sponsored by the district. This funding will support special events co-sponsored by Council District 5, including National Night Out and the Annual Leadership Event. A portion of the revenues (\$3,000) was received in Fiscal Year 2020-2021.</p>				
Office of the Mayor/Other Revenue (Knight Foundation and Harvard Business School)	Mayor & City Council	-	\$95,000	\$95,000
<p>This action increases the Office of the Mayor appropriation and corresponding estimate for Other Revenue by \$95,000 to allocate grants received from Knight Foundation (\$35,000) for data strategy and equity dashboard project and Harvard Business School (\$60,000) to partially support the cost of a fellow from Harvard Business School.</p>				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Emergency Management Performance Grant/Revenue from Federal Government	Office of the City Manager	-	\$82,000	\$82,000
<p>This action establishes the 2020 Emergency Management Performance Grant appropriation to the Office of the City Manager and increases the estimate for Revenue from Federal Government by \$82,000. The funds will be used by the Office of Emergency Management for emergency operations technology and to develop a Joint City and Operational Area Safety and Damage Assessment Plan.</p>				
After School Education and Safety Programs for 2021-2022/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	-	\$450,938	\$450,938
<p>This action establishes the After School Education and Safety Programs for 2021-2022 appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Revenue from Local Agencies in the amount of \$450,938. This grant funding will support after school education and safety programs by providing supplies and materials and staff time at the Berryessa Union School District (\$106,257), Alum Rock Union Elementary School District (\$123,045), ACE Charter School Empower Academy (\$100,402), and ACE Charter School Esperanza (\$121,234). After School Education and Safety Programs supports local after school education and enrichment programs by providing literacy, academic enrichment, and constructive alternatives for students in kindergarten through ninth grade.</p>				
County of Santa Clara Probation Teen Programming/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	-	\$18,778	\$18,778
<p>This action increases the County of Santa Clara Probation Teen Programming City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from Local Agencies in the amount of \$18,778. Grant funding from the County of Santa Clara Probation Department will pay for additional memberships and involvement of youth at City operated community centers throughout San José. The memberships allow the youth to have access to the Teen Centers which are a drop-in space with games and activities. Memberships also provide access to a recording studio at Seven Trees Community Center, events with motivational guest speakers, and field trips.</p>				

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
PG&E Summer Cooling Shelter Program Grant/Other Revenue	Parks, Recreation and Neighborhood Services	-	\$7,000	\$7,000
<p>This action increases the PG&E Summer Cooling Shelter Program Grant City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue by \$7,000 to reflect funding from Pacific Gas & Electric (PG&E) for the Summer Cooling Shelter Program. This program raises awareness of heat safety measures and provides support for sheltering residents to mitigate health risks on extremely hot days.</p>				
Sourcewise Grant for Recreation and Connectivity Project/Other Revenue	Parks, Recreation and Neighborhood Services	-	\$8,447	\$8,447
<p>This action increases the Sourcewise Grant for Recreation and Connectivity Project City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department (PRNS) and increases the estimate for Other Revenue in the amount of \$8,447. This grant funding will be used to purchase 40 digital devices (tablets) and provide 100 older adults with choices of the following: a digital device (tablet) to borrow for up to 90 days with the opportunity to extend for another 30 days; digital literacy training; and/or free virtual health and wellness and recreation programming. Five hundred older adults will receive information regarding low cost internet options and PRNS programs and services. The total grant award is \$49,008, of which \$40,561 was allocated in 2020-2021. This action awards the amount remaining of \$8,447 in 2021-2022.</p>				
VivaCalle SJ 2022/Other Revenue	Parks, Recreation and Neighborhood Services	-	\$48,000	\$48,000
<p>This action increases the VivaCalleSJ 2021-2022 City-Wide Expenses appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Other Revenue to recognize a grant from Health Trust in the amount of \$48,000. The total grant award is \$48,000 and the term of the grant is June 24, 2021 through November 30, 2022. The primary purpose of this grant is to support delivery of the four VivaCalleSJ events through marketing and part-time staff.</p>				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Youth Reinvestment Grant/Revenue from State of California</p> <p>This action increases the Youth Reinvestment Grant appropriation to the Parks, Recreation and Neighborhood Services Department by \$322,996 and increases the estimate for Revenue from the State of California in the amount of \$136,416. The total grant award is \$1.0 million. The grant term covers 2019-2020, 2020-2021, 2021-2022, and 2022-2023. This program funds community-based organizations that provide juvenile justice diversion programming. This grant aims to mediate targeted youth high risk behaviors, increase their school success and bonding, strengthen their personal and social life skills and prosocial lifestyle, provide Family Support and Education Services to youth families in need, and in turn reduce the disproportionate over-representation of Hispanic youth in the juvenile justice system.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	<p>-</p>	<p>\$322,996</p>	<p>\$136,416</p>
<p>Senate Bill 2 - Housing and Community Development Grant/Revenue from State of California</p> <p>This action establishes the Senate Bill 2 - Housing and Community Development Grant City-Wide Expenses appropriation to the Planning, Building, and Code Enforcement Department and increases the corresponding estimate for Revenue from State of California to recognize \$163,364 from the Senate Bill 2 - Housing and Community Development grant. This grant will provide zoning code updates, future housing element support work, and the design and development of standards for small scale multi-family housing to increase affordable housing supply. This action will appropriate the first reimbursement installment of the \$625,000 grant award. The grant award period is through June 30, 2022; however, the department will request reimbursement from this grant award as eligible expenditures are identified.</p>	<p>Planning, Building and Code Enforcement Department</p>	<p>-</p>	<p>\$163,364</p>	<p>\$163,364</p>

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Selective Traffic Enforcement Program 2021-2022/Revenue from Federal Government This action establishes the Selective Traffic Enforcement Program 2021-2022 City-Wide Expenses appropriation to the Police Department and increases the estimate for Revenue from the Federal Government in the amount of \$200,000 to primarily fund overtime for Police Officers to staff DUI Checkpoints/Saturation Patrols, and conduct Distracted Driving, Motorcycle Safety, Click It or Ticket, and Pedestrian/Bicycle enforcement operations during the term of the grant (October 1, 2020 through September 30, 2022).	Police Department	-	\$200,000	\$200,000
State Homeland Security Grant Program 2021-2022/Revenue from Federal Government This action establishes the State Homeland Security Grant Program – Police 2021-2022 City-Wide Expenses appropriation to the Police Department and increases the estimate for Revenue from the Federal Government in the amount of \$312,000 to fund the implementation of State Homeland Security strategies to address the identified planning, organization, equipment, training, and exercise needs for acts of terrorism and other catastrophic events during the term of the grant (September 1, 2021 to May 31, 2024).	Police Department	-	\$312,000	\$312,000
			-	-
Grants-Reimbursements-Fees			\$4,601,689	\$4,412,109

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Customer Service Vision and Standards This action establishes a Customer Service Vision and Standards City-Wide Expenses appropriation to the Office of the City Manager in the amount of \$400,000 for the Office of Civic Innovation, as a first step, to support the development of a city-wide customer service vision and standards project as a focus of the new City Manager. The Customer Service Vision and Standards project seeks to develop a set of standards that will serve as cornerstones of a multiyear transformation of the person-to-person customer service experience in the City of San José. The approach for this standard is to engage a consultant to conduct a discovery of the current customer service experience, challenges, and future opportunity areas. The current state of the customer service experience will be mapped by customer segments, personas, and journey maps, and a customer service vision and set of standards that represent the foundational building blocks of a transformation plan will then be formulated. The work will identify improvement opportunities and pilot initial ideas to deliver impact through testing and measuring early concepts.	Office of the City Manager	-	\$400,000	-
Urgent Fiscal-Program Needs City Facilities Security Improvements This action establishes the City Facilities Security Improvements City-Wide Expenses appropriation to the Public Works Department in the amount of \$750,000. The safety of the public and employees is the highest priority for the City and this funding will allow the City to enhance security features and protocols in various facilities. These enhancements may include, but are not limited to, the installation and staffing of additional metal detectors at various entrances to City facilities, increased security patrols through a combination of sworn Police Officers and civilian Public Works Security Officers, and the installation of physical improvements such as security cameras and railings. As these improvements are implemented and evaluated over the course of the fiscal year, the Administration intends to bring forward a recommendation for ongoing funding as part of the 2022-2023 budget development process.	Public Works Department	-	\$750,000	-
Urgent Fiscal-Program Needs			\$1,150,000	-

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Affordable Housing Impact Fee Fund (452)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Housing Department		\$7,855,263	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)	Housing Department			\$7,855,263

This action increases the revenue estimate for Transfers and Reimbursements by \$7.86 million as part of a transfer of the corresponding fund balance from the Multi-Source Housing Fund to the Affordable Housing Impact Fee Fund. The Affordable Housing Impact Fee Fund was previously structured as a memo fund within the Multi-Source Housing Fund, and starting in 2021-2022, it is budgeted as an individual fund. Corresponding actions to transfer the remaining balance of funds from the Multi-Source Housing Fund to the Affordable Housing Impact Fee Fund are also recommended as part of this report.

Affordable Housing Impact Fee Fund (452)			\$7,855,263	\$7,855,263
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IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)	Airport Department		\$931,776	\$931,776

This action establishes a Transfer from the Airport Revenue Bond Improvement Fund and increases the Airline Agreement Reserve by \$931,776. Capital project savings remain in the Airport Revenue Bond Improvement Fund from the Interim Facility project which was completed and opened in June 2019. Project savings are not needed in this fund and can be transferred to the Airport Revenue Fund to be held in the Airline Agreement Reserve, per the Airline-Airport Operating Agreement. Corresponding actions in the Airport Revenue Bond Improvement Fund are also recommended in this report.

Airline Agreement Reserve (American Rescue Plan Act)	Airport Department		\$27,400,000	
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This action increases the Airline Agreement Reserve by \$27.4 million, from \$81.2 million to \$108.6 million, to recognize federal grant funding from the American Rescue Plan Act (ARPA). The American Rescue Plan Act of 2021 was signed into law in March 2021 and included the award of funds to eligible U.S. airports to provide economic assistance in response to the impacts the coronavirus pandemic has had on airline passenger travel activity. The Airport was awarded \$34.0 million in ARPA funding; \$6.6 million to be applied to Concessions Rent Relief, and \$27.4 million to be allocated to the Airline Agreement Reserve for reimbursement of eligible expenses. The Airline Agreement Reserve holds funds available for general Airport operating expenditures. Corresponding actions to appropriate these funds are also recommended in this report.

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Fees, Rates, and Charges (Concessions Rent Relief)	Airport Department			(\$6,600,000)

This action decreases the estimate for Fees, Rates, and Charges by \$6.6 million to recognize Concessions Rent Relief funding from the American Rescue Plan Act (ARPA). The Airport was awarded \$34.0 million in ARPA funding, which was signed into law in March 2021 and included the award of funds to eligible U.S. airports to provide economic assistance in response to the impacts the coronavirus pandemic has had on airline passenger travel activity. Actual funds are provided on a reimbursement basis. This allocation will be used to provide direct relief to airport concessionaires from rent and will offset Terminal Building revenues in the Airport's Fees, Rates, and Charges. The remaining award balance (\$27.4 million) is recommended elsewhere to be added to the Airline Agreement Reserve as eligible expenses are reimbursed. Corresponding actions to recognize the revenue from the Federal Government and allocate it to the Airline Agreement Reserve are recommended elsewhere.

Revenue from Federal Government (American Rescue Plan Act)	Airport Department			\$34,000,000
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This action increases the estimate for Revenue from the Federal Government to recognize \$34.0 million from the American Rescue Plan Act. The American Rescue Plan Act of 2021 was signed into law in March 2021 and included the award of funds to eligible U.S. airports to provide economic assistance in response to the impacts the coronavirus pandemic has had on airline passenger travel activity. Corresponding actions to use \$6.6 million of these funds for Concessions Rent Relief and to \$27.4 million for the Airline Agreement Reserve are recommended elsewhere in this report.

Airport Revenue Fund (521)				\$28,331,776	\$28,331,776
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IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)	Airport Department		\$1,928	\$1,928

This action establishes a Transfer from the Airport Revenue Bond Improvement Fund and increases the Airline Agreement Reserve by \$1,928. This amount reflects residual commercial paper interest earnings collected in the Airport Revenue Bond Improvement Fund for the Interim Facility project that was completed and opened in June 2019. These excess interest earnings can be transferred to the Airport Surplus Revenue Fund where commercial paper interest is recognized. Corresponding actions in the Airport Revenue Bond Improvement Fund are also recommended in this report.

Airport Surplus Revenue Fund (524)		\$1,928	\$1,928
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

American Rescue Plan Fund (402)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from the Federal Government (American Rescue Plan Act)	Finance Department			(\$3,666,517)

This action decreases the estimate for Revenue from the Federal Government by \$3.7 million to reflect the reclassification of \$3.6 million of planned funding for Resident Relief - Food and Necessities Distribution from the American Rescue Plan Fund to the Coronavirus Relief Fund for eligible expenditures anticipated between July 2021 and December 2021, thereby optimizing the use of remaining Federal CARES Act funds prior to their expiration in December 2021. This action also includes an offsetting reduction of \$48,000 associated with the Small Business, Non-Profits, and Arts - San José Abierto adjustment recommended in this report.

Resident Relief - Food and Necessities Distribution	Parks, Recreation and Neighborhood Services Department		(\$3,618,517)	
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This action decreases the Resident Relief - Food and Necessities Distribution appropriation in the American Rescue Plan Fund to reclassify \$3.6 million of eligible expenditures anticipated between July 2021 and December 2021 from the American Rescue Plan Fund to the Coronavirus Relief Fund, thereby optimizing the use of remaining federal CARES Act funds prior to their expiration in December 2021. Corresponding adjustments to the estimate for Revenue from the Federal Government, and in the Coronavirus Relief Fund, are recommended in this report. It is important to note that it is likely that the Administration may recommend the extension of the Food and Necessities Distribution program beyond December 2021, the amount and funding for which would be included in the City Council's review of recommended revisions to the Community and Economic Recovery Budget at the November 2, 2021 City Council meeting.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

American Rescue Plan Fund (402)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Small Business, Non-Profits, and Arts - San José Abierto	Parks, Recreation and Neighborhood Services Department		(\$48,000)	

This action decreases the Small Business, Non-Profits, and Arts - San José Abierto appropriation in the American Rescue Plan Fund by \$48,000. The Parks, Recreation and Neighborhood Services Department received a grant from The Health Trust in the amount of \$48,000 to support VivaCalle SJ 2022. Therefore, reducing the need of American Rescue Plan funding. Corresponding actions to decrease the estimate for Revenue from the Federal Government in the American Rescue Plan Fund and an increase to the VivaCalleSJ 2021-2022 City-Wide Expenses appropriation in the General Fund are recommended elsewhere in this report.

American Rescue Plan Fund (402)	(\$3,666,517) (\$3,666,517)
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Benefits Funds - Self-Insured Medical Fund (158)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Human Resources Department		(\$446,842)	

This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Transfer to the General Fund (Close Out of Self-Insured Medical Fund)	Human Resources Department		\$446,842	
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This action establishes a Transfer to the General Fund appropriation of \$446,842. The Self-Insured Medical Fund had previously received transfers from the General Fund in prior years to ensure fund solvency. This amount reflects the remaining balance in the fund that can be returned to the General Fund. The City ended its PPO plan with Blue Shield of California in December 2019. A close-out period was established for one year, from January 1, 2020 to December 31, 2020, and during this time Blue Shield was required to submit all outstanding claims to the City for payment. This transfer reflects the fund balance that is left in this fund after the close-out period. A final reconciliation of this fund and a transfer of any remaining fund balance will be recommended as part of the 2021-2022 Mid-Year Budget Review.

Benefits Funds - Self-Insured Medical Fund (158)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Building Development Fee Program Fund (237)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements/Ending Fund Balance Adjustment (Transfer from the General Fund)	Planning, Building and Code Enforcement Department		\$96	\$96

This action increases the revenue estimate for Transfers and Reimbursements by \$96 to recognize a transfer from the General Fund for a reimbursement for waived building permit and inspection fees to assist homeowners with repairs related to the 2017 Coyote Creek flood. A corresponding increase to the Ending Fund Balance is recommended to offset this action.

Building Development Fee Program Fund (237)		\$96	\$96
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Business Improvement District Fund (351)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Downtown BID Reserve	City Manager - Office of Economic Development and Cultural Affairs		(\$221,660)	
This action decreases the Downtown BID Reserve by \$221,660 to offset the action recommended in this report.				
Downtown Business Improvement District	City Manager - Office of Economic Development and Cultural Affairs		\$221,660	
This action increases the Downtown Business Improvement District appropriation by \$221,660, from \$630,000 to \$851,660, to appropriate prior year assessments collected from the Downtown Business Improvement District (BID) that have not yet been distributed. The Downtown BID will use these funds for the maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities. A corresponding decrease to the Downtown BID Reserve is recommended to offset this action.				
Hotel BID Reserve	City Manager - Office of Economic Development and Cultural Affairs		(\$219,481)	
This action decreases the Hotel BID Reserve by \$219,481 to offset the action recommended in this report.				
Hotel Business Improvement District	City Manager - Office of Economic Development and Cultural Affairs		\$219,481	
This action increases the Hotel Business Improvement District appropriation by \$219,481, from \$1,762,385 to \$1,981,866, to appropriate prior year assessments collected from the Hotel Business Improvement District (BID) that have not yet been distributed. The Hotel BID will use these funds for the maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities. A corresponding decrease to the Hotel BID Reserve is recommended to offset this action.				
Japantown BID Reserve	City Manager - Office of Economic Development and Cultural Affairs		(\$9,243)	
This action decreases the Japantown BID Reserve by \$9,243 to offset the action recommended in this report.				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Business Improvement District Fund (351)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Japantown Business Improvement District	City Manager - Office of Economic Development and Cultural Affairs		\$9,243	

This action increases the Japantown Business Improvement District appropriation by \$9,243, from \$35,825 to \$45,068, to appropriate prior year assessments collected from the Japantown Business Improvement District (BID) that have not yet been distributed. The Japantown BID will use these funds for the maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities. A corresponding decrease to the Japantown BID Reserve is recommended to offset this action.

Business Improvement District Fund (351)

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

City Hall Debt Service Fund (210)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$35,000)	
This action decreases the Ending Fund Balance to offset the adjustment recommended in this report.				
Transfers and Reimbursements (Transfer from Public Works Program Support Fund)	Office of the City Manager			(\$35,000)
<p>This action decreases the revenue estimate for Transfers and Reimbursements by \$35,000 to reflect a reduced transfer from the Public Works Program Support Fund. As part of the budget development process, the annual city hall debt service amount is allocated as transfers to the City Hall Debt Service Fund from multiple funds based on the latest city hall building occupancy survey and staffing budget data. For 2021-2022 the Public Works Program Support Fund's share was not allocated properly. As a result, its transfer allocation will be reduced by \$35,000 and a corresponding action in the Public Works Program Support Fund is recommended elsewhere in this report. To ensure the overall debt service amount of \$25,211,000 remains the same, \$35,000 will be covered using the available fund balance.</p>				
City Hall Debt Service Fund (210)			(\$35,000)	(\$35,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Convention and Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs		(\$161,235)	
This action decreases the Ending Fund Balance to offset the adjustments recommended in this report.				
Transfers and Reimbursements (Transfer from the Transient Occupancy Tax Fund)	City Manager - Office of Economic Development and Cultural Affairs			(\$117,235)
This action decreases the revenue estimate for Transfers and Reimbursements to reflect the decreased transfer from the Transient Occupancy Tax Fund of \$117,235, in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the Transient Occupancy Tax (TOT) Fund during 2020-2021. Actual 2020-2021 TOT collections in the TOT Fund fell short of the revised budgeted estimate of \$8.4 million by \$234,470. A corresponding adjustment to decrease Ending Fund Balance is recommended in this report to offset this action.				
Insurance Expenses	Finance Department		\$44,000	
This action increases the Insurance Expenses appropriation by \$44,000, from \$406,000 to \$450,000, to support additional costs for the City's insurance coverage and annual renewals. This additional cost is a result of coverage updates and premium increases for the property insurance program for the convention center, for the annual policy period starting October 1, 2021. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset the action.				
			(\$117,235)	(\$117,235)

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Coronavirus Relief Fund (401)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$3,618,517)	
This action decreases the Ending Fund Balance to offset the adjustment recommended in this report.				
Resident Relief - Food and Necessities Distribution	Parks, Recreation and Neighborhood Services Department		\$3,618,517	

This action establishes the Resident Relief - Food and Necessities Distribution appropriation in the Coronavirus Relief Fund to reclassify \$3.6 million of eligible expenditures anticipated between July 2021 and December 2021 from the American Rescue Plan Fund to the Coronavirus Relief Fund, thereby optimizing the use of remaining federal CARES Act funds prior to their expiration in December 2021. Corresponding adjustments to the Ending Fund Balance, and in the American Rescue Plan Fund, are recommended in this report.

Coronavirus Relief Fund (401)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
2017 Justice Assistance Grant	Police Department		\$568	

This action increases the 2017 Justice Assistance Grant appropriation to the Police Department to appropriate interest earned during 2020-2021 in the amount of \$569. These funds are used for law enforcement and officer safety and investigative equipment, and law enforcement overtime for community events, such as TEAM Kids and Coffee with a Cop, a crime prevention community education program, and public service announcements to increase awareness and prevent gun violence. The term of the grant is October 1, 2019 through June 30, 2023.

Ending Fund Balance Adjustment	Police Department		(\$568)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Federal Drug Forfeiture Fund (419)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Federal Drug Forfeiture Fund (From Department of Justice Fund)	Police Department		\$115,000	
<p>This action establishes a Transfer to the Federal Drug Forfeiture Fund in the amount of \$115,000 to reflect a transfer from the Department of Justice Fund. The Department of Justice Fund is structured as a memo fund within the Federal Drug Forfeiture Fund. Expenditures were inadvertently incurred in the Federal Drug Forfeiture Fund in 2020-2021, but should have been incurred by the Department of Justice Fund. This action correct for this by accurately aligning the fund balances between the funds.</p>				
Transfer to Federal Drug Forfeiture Fund (From Department of the Treasury Fund)	Police Department		\$100,000	
<p>This action establishes a Transfer to the Federal Drug Forfeiture Fund in the amount of \$100,000 to reflect a transfer from the Department of the Treasury Fund. The Department of the Treasury Fund is structured as a memo fund within the Federal Drug Forfeiture Fund. Expenditures were inadvertently incurred in the Federal Drug Forfeiture Fund in 2020-2021, but should have been incurred by the Department of the Treasury Fund. This action correct for this by accurately aligning the fund balances between the funds.</p>				
Transfers and Reimbursements (Transfers from Department of Justice Fund and Department of the Treasury Fund)	Police Department			\$215,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$215,000 to reflect transfers from the Department of Justice Fund (\$115,000) and the Department of Treasury Fund (\$100,000). These funds are structured as memo funds within the Federal Drug Forfeiture Fund. Expenditures were inadvertently incurred in the Federal Drug Forfeiture Fund when they should have been incurred in the respective memo funds. This action corrects this by accurately aligning the fund balance between the funds.</p>				
Federal Drug Forfeiture Fund (419)			\$215,000	\$215,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$20,006)	
This action decreases Ending Fund Balance to offset the adjustment recommended in this report.				
Enhanced Crosswalk at Hedding and Elm Streets	Transportation Department		\$20,006	

This action establishes the Enhanced Crosswalk at Hedding and Elm Streets appropriation to the Transportation Department in the amount of \$20,006 for an enhanced crosswalk at the corner of Hedding and Elm Streets. The funds will pay for the addition of rectangular rapid flashing beacons to an existing crosswalk and a pedestrian refuge island. This action is offset by a corresponding decrease to the Ending Fund Balance.

Gift Trust Fund (139)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Homeless Housing, Assistance, and Prevention Fund (454)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Emergency Shelters	Housing Department		\$3,085,240	

This action increases the Emergency Shelters appropriation by \$3.1 million, from \$10.4 million to \$13.5 million, reflecting the appropriation of funds from a liquidation of prior year carry-over encumbrances in the Homeless Housing, Assistance, and Prevention (HHAP) Fund. The Homeless Housing, Assistance, and Prevention Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. To transfer the balance of funds remaining within the Multi-Source Housing Fund, the prior year encumbrances will be liquidated and re-encumbered for the same purposes in the HHAP Fund. These funds will be used to fund motel vouchers and the construction and operation of Emergency Shelters and Bridge Housing Communities. Corresponding actions to transfer the remaining balance of funds from the Multi-Source Housing Fund to the Homeless Housing, Assistance, and Prevention Fund are also recommended as part of this report.

Ending Fund Balance Adjustment	Housing Department		\$2,896,948	
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This action increases the Ending Fund Balance to offset the actions recommended in this report.

Homeless Youth	Housing Department		\$1,657,725	
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This action re-establishes the Homeless Youth appropriation in the amount of \$1.7 million reflecting, the appropriation of funds from a liquidation of prior year carry-over encumbrances in the Homeless Housing, Assistance, and Prevention (HHAP) Fund. The Homeless Housing, Assistance, and Prevention Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. To transfer the balance of funds remaining within the Multi-Source Housing Fund, the prior year encumbrances will be liquidated and re-encumbered for the same purposes in the HHAP Fund. These funds will be used to provide rental subsidies and shelter support for homeless youth. Corresponding actions to transfer the remaining balance of funds from the Multi-Source Housing Fund to the HHAP Fund are also recommended as part of this report.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Homeless Housing, Assistance, and Prevention Fund (454)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)	Housing Department			\$7,639,913

This action increases the revenue estimate for Transfers and Reimbursements by \$7.64 million as part of a transfer of the corresponding fund balance from the Multi-Source Housing Fund to the Homeless Housing, Assistance, and Prevention Fund. The Homeless Housing, Assistance, and Prevention Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. Corresponding actions to transfer the remaining balance of funds from the Multi-Source Housing Fund to the Homeless Housing, Assistance, and Prevention Fund are also recommended as part of this report.

Homeless Housing, Assistance, and Prevention Fund (454)		\$7,639,913	\$7,639,913
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Environmental Services Department		\$251,797	
This action increases Ending Fund Balance to offset actions recommended elsewhere in this report.				
Transfer to the General Fund - CDDD Revenue	Environmental Services Department		(\$150,000)	
This action eliminates the Transfer to the General Fund - CDDD Revenue appropriation. Construction and Demolition Diversion Deposit (CDDD) revenues are derived from expired deposits provided to incentivize the diversion of construction and demolition debris from landfills. Typically, any forfeited deposits are transferred to the General Fund after ensuring that all applicable expenses in the IWM Fund are met. However, a reconciliation of actual revenues and expenses for 2020-2021 has determined that these funds are needed by the CDDD program to ensure cost recovery in the IWM Fund. Corresponding actions to decrease the estimate for revenue for Transfers and Reimbursements (CDDD Revenue) in the General Fund and to increase the Integrated Waste Management Fund's Ending Fund Balance are also recommended in this report.				
Transfers and Reimbursements (Transfer from General Fund for RAPID Asset Reimbursement)	Environmental Services Department			\$101,797
This action establishes an estimate for revenue from a Transfer from the General Fund in the amount of \$101,797 to reimburse the fund for vehicles previously purchased for the Rapid Team, as adjusted for depreciation. The 2021-2022 Adopted Budget shifted the Rapid Team from the Environmental Services Department to the Parks, Recreation and Neighborhood Services Department as part of the BeautifySJ management consolidation, including all non-personal/equipment funding for contractual services, supplies, and materials. This transfer from the General Fund appropriately compensates the Integrated Waste Management (IWM) Fund for its previous investment in purchasing the vehicles. Corresponding actions to establish a Transfer to the IWM Fund in the General Fund and to increase the Integrated Waste Management Fund's Ending Fund Balance are also recommended in this report.				
Integrated Waste Management Fund (423)			\$101,797	\$101,797

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Affordable Housing Web Portal	Housing Department		\$10,000	
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This action re-establishes the Affordable Housing Web Portal appropriation in the amount of \$10,000 to fund translation services of materials for the Affordable Housing Web Portal website that is nearing completion. This website project is part of a regional collaborative effort in partnership with the County of San Mateo to establish a central online portal to find and apply for affordable housing. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$1,116,225)	
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This action decreases the Ending Fund Balance to offset actions recommended in this report.

Housing Loans and Grants	Housing Department		\$1,106,225	
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This action increases the Housing Loans and Grants appropriation by \$1.1 million, from \$63.08 million to \$64.18 million, to increase funding for the Page Street Studios project from \$7.17 million to \$8.28 million. On February 5, 2018, City Council approved a \$7,176,640 loan commitment for the Page Street Studios project; however, the developer was not awarded funding from the Affordable Housing and Sustainable Communities Program which created a funding gap for the affordable housing development. The Director of Housing subsequently increased the City's funding commitment to effectuate the financing for the project's construction and permanent loan. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Low And Moderate Income Housing Asset Fund (346)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
City Housing Authority Reserve	Housing Department		(\$400,000)	
This action decreases the City Housing Authority Reserve to offset the recommended action to increase the Homeless Outreach Services appropriation as included in this report.				
Ending Fund Balance Adjustment	Housing Department		(\$7,495,176)	
This action decreases the Ending Fund Balance to offset actions recommended in this report.				
Homeless Outreach Services	Housing Department		\$400,000	
This action increases the Homeless Outreach Services appropriation by \$400,000, from \$269,847 to \$669,847, to enable the Housing Department to fund homeless outreach consultant services. The outreach program provides a multi-disciplinary team of outreach workers and case managers who provide services to people experiencing homelessness in targeted locations. A corresponding decrease to the City Housing Authority Reserve is recommended in this report to offset this action.				
Housing Project Reserve	Housing Department		(\$8,000,000)	
This action decreases the Housing Project Reserve by \$8.0 million to maintain a positive Ending Fund Balance in the Multi-Source Housing Fund.				
Recovery Act - Neighborhood Stabilization Program 2/Revenue from the Use of Money/Property (Loan Repayments)	Housing Department		\$150,000	\$150,000
This action increases the Recovery Act - Neighborhood Stabilization Program (NSP) 2 appropriation by \$150,000, from \$2.28 million to \$2.43 million, to enable the Housing Department to pass through program income received from loan repayments to the Housing Trust. The NSP 2 program is a federal program that provided loans for the redevelopment of abandoned and foreclosed homes and residential properties following the housing market decline in 2009. A corresponding increase to the estimate for Revenue from the Use of Money/Property is recommended to offset this action.				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Affordable Housing Impact Fee Fund	Housing Department		\$7,855,263	

This action establishes a Transfer to the Affordable Housing Impact Fee Fund in the amount of \$7.86 million to transfer the corresponding fund balance from the Multi-Source Housing Fund to the Affordable Housing Impact Fee (AHIF) Fund. The AHIF Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. Corresponding actions in the AHIF Fund are also recommended elsewhere in this report.

Transfer to the Homeless Housing, Assistance, and Prevention Fund	Housing Department		\$7,639,913	
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This action establishes a Transfer to the Homeless Housing, Assistance, and Prevention Fund in the amount of \$7.64 million to transfer the corresponding fund balance from the Multi-Source Housing Fund to the Homeless Housing, Assistance, and Prevention (HHAP) Fund. The HHAP Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. Corresponding actions in the HHAP Fund are also recommended elsewhere in this report.

Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from Affordable Housing Impact Fee Fund)	Housing Department		\$12,505,263	
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This action establishes the Transfer to the Multi-Source Housing Fund appropriation in the amount of \$12.51 million to transfer the remaining fund balance from the Affordable Housing Impact Fee (AHIF) Fund to the Multi-Source Housing Fund. The AHIF Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. This action closes out the memo fund and transfers all remaining fund balance to the Multi-Source Housing Fund. As part of the 2020-2021 Annual Report, a reconciliation of the AHIF Fund was completed and in a separate action, which is included in this report, is the transfer of the actual fund balance to the individual, budgeted AHIF Fund.

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from Homeless Housing, Assistance, and Prevention Fund)	Housing Department		\$7,768,429	

This action establishes the Transfer to the Multi-Source Housing Fund in the amount of \$7.77 million to transfer the remaining fund balance from the Homeless Housing, Assistance, and Prevention (HHAP) Fund to the Multi-Source Housing Fund. The HHAP Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. This action closes out the memo fund and transfers all remaining fund balance to the Multi-Source Housing Fund. As part of the 2020-2021 Annual Report, a reconciliation of the HHAP Fund was completed and in a separate action, which is included in this report, is the transfer of the actual fund balance to the individual, budgeted HHAP Fund.

Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from the Multi-Source Housing Fund to Homeless Emergency Aid Program Fund)	Housing Department		\$558,157	
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This action establishes a Transfer to the Multi-Source Housing Fund to transfer funds to the Homeless Emergency Aid Program (HEAP) Fund, which is structured as a memo fund that is budgeted within the Multi-Source Housing Fund. This action will transfer \$558,157 to resolve a negative Ending Fund Balance in the HEAP Fund. Corresponding actions to increase the revenue estimate and Ending Fund Balance in the HEAP Fund are recommended elsewhere in this report.

Transfers and Reimbursements (Fund Balance Transfer from the Affordable Housing Impact Fee Fund)	Housing Department			\$12,505,263
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This action establishes the revenue estimate for Transfers and Reimbursements in the amount of \$12.51 million to reflect a transfer of the remaining fund balance from the Affordable Housing Impact Fee (AHIF) Fund. The AHIF Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. This action reflects the transfer of the remaining fund balance as a result of the close out of the memo fund.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Fund Balance Transfer from the Homeless Housing, Assistance, and Prevention Fund)	Housing Department			\$7,768,429

This action establishes the revenue estimate for Transfers and Reimbursements in the amount of \$7.77 million to reflect a transfer of the remaining fund balance from the Homeless Housing, Assistance, and Prevention (HHAP) Fund. The HHAP Fund was previously structured as a memo fund within the Multi-Source Housing Fund; starting in 2021-2022, it is budgeted as an individual fund. This action reflects the transfer of the remaining fund balance as a result of the close out of the memo fund.

Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)	Housing Department			\$558,157
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This action establishes the revenue estimate for Transfers and Reimbursements in the amount of \$558,157 to reflect a transfer from the Multi-Source Housing Fund to resolve a negative Ending Fund Balance in the Homeless Emergency Aid Program (HEAP) Fund. The HEAP Fund is currently structured as a memo fund within the Multi-Source Housing Fund. A corresponding action to increase the Transfer to the HEAP Fund is also recommended in this report.

Multi-Source Housing Fund (448)	\$20,981,849 \$20,981,849
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Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Public Works Program Support Fund (150)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Public Works Department		\$35,000	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
Transfer to the City Hall Debt Service Fund	Public Works Department		(\$35,000)	

This action decreases the Transfer to the City Hall Debt Service Fund by \$35,000 to reflect a reduced contribution from the Public Works Program Support Fund. As part of the budget development process, the annual city hall debt service amount is allocated as transfers to the City Hall Debt Service Fund from multiple funds based on the latest city hall building occupancy survey and staffing budget data. For 2021-2022, the Public Works Program Support Fund's share was not allocated properly. Corresponding actions in the City Hall Debt Service Fund are also recommended elsewhere in this report.

Public Works Program Support Fund (150)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Commercial Paper Interest and Fees	Community Energy Department		\$300,000	
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This action establishes a Debt Service – Interest – CP appropriation in 2021-2022 in the amount of \$300,000 for Commercial Paper Program interest and fees. While much of the interest and fees related to the Commercial Paper program will be capitalized, this action allows for payment of interest and fees during the second half of the fiscal year when cash flows projections improve.

Cost of Energy	Community Energy Department		\$22,200,000	
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This action increases the Cost of Energy appropriation by \$22.2 million, from \$285.0 million to \$307.2 million, in accordance with the base financial model discussed at the City Council meeting on June 22, 2021 that was used to estimate the amount of Commercial Paper that may be needed to ensure sufficient cash flow to the San José Clean Energy program over the course of the fiscal year. The cost of energy is affected by several factors that can have significant implications, including a changing regulatory environment, weather events, and energy operating facility break downs. The Community Energy Department uses its industry expertise to purchase energy at competitive rates to benefit its customers. The revised budget for Cost of Energy and related actions to increase the revenue estimate for Fees, Rates and Charges, and to recognize Commercial Paper financing proceeds recommended elsewhere ensures that sufficient resources are available meet projected demand.

Ending Fund Balance Adjustment	Community Energy Department		\$40,478,357	
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This action increases the Ending Fund Balance to offset the actions recommended in this report.

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Fees, Rates, and Charges (Energy Sales)	Community Energy Department			\$10,400,000

This action increases the estimate for Fees, Rates, and Charges by \$10.4 million, from \$293.0 million to \$303.4 million, to reflect anticipated higher energy sales revenue. In May 2021, City Council approved a rate increase of 8% above PG&E for San José Clean Energy's (SJCE) default product. The rate increase was implemented to help mitigate the effects of regulated industry fees, such as the Power Charge Indifference Adjustment (PCIA), to the Clean Energy Fund. Additionally, on June 22, 2021, the City Council approved use of the Commercial Paper program to ensure sufficient cash flow for SJCE over the course of the fiscal year. This recommended revision to revenue estimates align with the base financial model used to develop Commercial Paper program needs. Corresponding increases to the Cost of Energy, Commercial Paper Fees, and Ending Fund Balance are recommended to offset this action.

Financing Proceeds (Commercial Paper)	Community Energy Department			\$53,000,000
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This action establishes a Commercial Paper estimate in 2021-2022 in the amount of \$53.0 million to ensure successful delivery of the San José Clean Energy (SJCE) program to the residents of San José. On June 22, 2021, the City Council approved the issuance of \$15.0 million of Commercial Paper Notes with a total capacity up to \$95.0 million to cover SJCE's identified cash flow shortage. Using the base financial model discussed at the City Council meeting, the estimated Commercial Paper proceeds needed to maintain sufficient monthly cash flow and build a sufficient unrestricted cash balance over the course of the fiscal year is \$53.0 million. The Community Energy and Finance Departments and the City Manager's Budget Office will continue to closely monitor SJCE's financial conditions and will bring forward future budget recommendations as needed. Corresponding increases to the Cost of Energy, Commercial Paper Fees, and Ending Fund Balance are recommended to offset this action.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Interest Earnings	Community Energy Department			(\$500,000)

This action decreases Interest Earnings by \$500,000, from \$1.0 million to \$500,000, to reflect projected interest earned in 2021-2022. Interest earnings are a calculation based on a fund's cash balance and expected earnings rate. Given the lower cash balance and low interest rate environment, a reduction of earned interest is recommended. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Personal Services (Office of the City Attorney Staff Funding Shift)	Office of the City Attorney		(\$78,357)
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This action shifts funding of \$78,357 in the Office of the City Attorney's Personal Services appropriation in the San Jose Clean Energy Fund to the General Fund to accurately reflect the projected work with the corresponding funding source. A corresponding increase to the Office of the City Attorney's Personal Services appropriation in the General Fund is recommended elsewhere in this report to offset this action.

San José Clean Energy Operating Fund (501)	\$62,900,000
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**Special Funds Recommended Budget Adjustments Summary
2020-2021 Annual Report**

Sewer Service And Use Charge Fund (541)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Environmental Services Department		(\$111,000)	
This action decreases Ending Fund Balance to offset the action recommended elsewhere in this report.				
Sanitary Sewer Vehicle Replacement	Transportation Department		\$111,000	

This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$111,000 to fund an increase in costs to replace two Ford F450 utility trucks with cranes for the Sewer Pump Station/Hazmat team. These vehicles were originally requested in 2019-2020 but the vehicle procurement was delayed due to the COVID-19 pandemic, resulting in the cost of the two vehicles increasing from an original amount of \$230,000 to \$341,000, due to inflationary costs of supplies, materials, and add-on components. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Sewer Service And Use Charge Fund (541)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Storm Sewer Operating Fund (446)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Ending Fund Balance Adjustment	Environmental Services Department		(\$314,324)	
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This action decreases Ending Fund Balance to offset the actions recommended elsewhere in this report.

Operations and Maintenance Reserve (Use)	Environmental Services Department		\$195,324	
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This action increases the Operations and Maintenance Reserve in the Storm Sewer Operating Fund by \$195,324, from \$4.5 million to \$4.7 million. The Operations and Maintenance Reserve in the 2021-2022 Adopted Budget had not been updated correctly, resulting in the reserve representing less than 60 days of projected operating expenditures in the Fund through 2021-2022. This action updates the reserve amount in proportion with total Operating Expenditures in the Storm Sewer Operating Fund. A corresponding action to decrease the Ending Fund Balance is recommended in this report to offset this action.

Storm Sewer Vehicle Replacement	Transportation Department		\$19,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$19,000 to fund an increase in costs to purchase a new flatbed utility truck for the Sewer Pump Station/Hazmat team. The vehicle was originally requested in 2020-2021 but the procurement was delayed due to the COVID-19 pandemic, resulting in a the cost of the vehicle increasing from an original amount of \$152,000 to \$171,000. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Storm Water Bioretention Repair Projects	Transportation Department		\$100,000	
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This action adds \$100,000 to the Transportation Department's Non-Personal/Equipment appropriation to fund contractual work to repair a damaged storm drain on Coronado Avenue, to repair damaged concrete bioretention cells on Cherry Avenue, and to replace plants with animal resistant ones in green storm water infrastructure on Chynoweth Avenue. The repair work is anticipated to begin in fall 2021. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Storm Sewer Operating Fund (446)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Supplemental Law Enforcement Services Fund (414)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Police Department		(\$48,679)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
SLES Grant 2017-2019	Police Department		\$207	
This action increases the Supplemental Law Enforcement Services (SLES) Grant 2017-2019 appropriation to the Police Department by \$207 to appropriate interest earned during 2020-2021, and to reallocate funds from the liquidation of prior year carry-over encumbrances. These funds are used for hardware, software and technology upgrades, Police Officer safety equipment and enhancements to investigative abilities, crime prevention, community policing, and grants administration funding during the term of the grant (October 1, 2017 through June 30, 2021).				
SLES Grant 2018-2020	Police Department		\$10,238	
This action increases the Supplemental Law Enforcement Services (SLES) Grant 2020-2021 appropriation to the Police Department by \$10,238 to appropriate interest earned during 2019-2020. These funds are used for hardware, software and technology upgrades, Police Officer safety equipment and enhancements to investigative abilities, crime prevention, community policing, and grants administration funding during the term of the grant (October 1, 2018 through June 30, 2022).				
SLES Grant 2019-2021	Police Department		\$20,415	
This action increases the Supplemental Law Enforcement Services (SLES) Grant 2019-2021 appropriation to the Police Department by \$20,415 to appropriate interest earned during 2020-2021. These funds are used for hardware, software and technology upgrades, Police Officer safety equipment and enhancements to investigative abilities, crime prevention, community policing, and grants administration funding during the term of the grant (October 1, 2019 through June 30, 2023).				

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Supplemental Law Enforcement Services Fund (414)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SLES Grant 2020-2022	Police Department		\$17,819	

This action increases the Supplemental Law Enforcement Services (SLES) Grant 2020-2022 appropriation to the Police Department by \$17,819 to appropriate interest earned during 2020-2021. These funds are used for hardware, software and technology upgrades, Police Officer safety equipment and enhancements to investigative abilities, crime prevention, community policing, and grants administration funding during the term of the grant (October 1, 2020 through June 30, 2024).

Supplemental Law Enforcement Services Fund (414)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Cultural Grants Reserve	City Manager - Office of Economic Development and Cultural Affairs		\$1,851,431	

This action establishes the Cultural Grants Reserve to allocate the net 2020-2021 savings of \$1.9 million, including a proportional reduction of \$58,618, from the Cultural Grants and Cultural Grants Administration appropriations. Actual 2020-2021 Transient Occupancy Tax (TOT) collections in the TOT Fund fell short of the revised budgeted estimate of \$8.4 million by \$234,470, resulting in a decrease of \$58,618 for Cultural Grants in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the Transient Occupancy Tax (TOT) Fund. However, given the uncertainty of rebounding Transient Occupancy Tax revenues amid the continued impact of COVID-19, savings totaling \$1.9 million from the Cultural Grants and (\$1.4 million) Cultural Grants Administration (\$0.5 million) appropriations are recommended to be held in reserve pending reassessment of actual revenue performance in 2021-2022 and preparation of the 2022-2023 Preliminary Forecast. Additional adjustments to decrease the Transfer to the Convention and Cultural Affairs Fund, and to decrease the San José Convention and Visitors Bureau appropriation, are also recommended in this report.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs		(\$1,675,578)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

San José Convention and Visitors Bureau	City Manager - Office of Economic Development and Cultural Affairs		(\$58,618)	
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This action decreases the San José Convention and Visitors Bureau appropriation by \$58,618 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the Transient Occupancy Tax (TOT) Fund during 2020-2021. Actual 2020-2021 TOT collections in the TOT Fund fell short of the revised budgeted estimate of \$8.4 million by \$234,470. Corresponding adjustments to decrease the Transfer to the Convention and Cultural Affairs Fund, and to reduce the net savings allocated for Cultural Grants, are also recommended in this report.

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Convention and Cultural Affairs Fund	City Manager - Office of Economic Development and Cultural Affairs		(\$117,235)	

This action decreases the Transfer to the Convention and Cultural Affairs Fund by \$117,235 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the Transient Occupancy Tax (TOT) Fund during 2020-2021. Actual 2020-2021 TOT collections in the TOT Fund fell short of the revised budgeted estimate of \$8.4 million by \$234,470. Corresponding adjustments to decrease the San José Convention and Visitors Bureau appropriation, and to reduce the net savings allocated for Cultural Grants, are also recommended in this report.

Transient Occupancy Tax Fund (461)

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Administration/Revenue from Federal Government This action increases the Administration appropriation and the corresponding estimate for Revenue from the Federal Government by \$15,587 to align with the Fiscal Years 2020-2021 and 2021-2022 Administration allocation received from the Federal Government.	City Manager - Office of Economic Development and Cultural Affairs		\$15,587	\$15,587
Adult Workers/Revenue from Federal Government This action decreases the Adult Workers appropriation and corresponding estimate for Revenue from the Federal Government by \$110,359 to align with the Fiscal Years 2020-2021 and 2021-2022 Adult Workers allocation received from the Federal Government. This program provides job training, occupational courses, work readiness certification, and other services that prepare unemployed adult workers to successfully enter the workforce.	City Manager - Office of Economic Development and Cultural Affairs		(\$110,359)	(\$110,359)
Career National Dislocated Workers Grant/Revenue from the Federal Government This action establishes the Career National Dislocated Workers Grant appropriation and increases the estimate for Revenue from the Federal Government by \$500,000 to recognize a newly awarded grant. This program is a regional collaboration among work2future, NOVA Works, and San Francisco Workforce Development Board. This project will target long term unemployed and/or dislocated and/or economically disadvantaged Latino and Southeast Asian adult low-income families and residents of Silicon Valley. The success of this project will deliver sustainable gateways to quality employment designed for the needs of communities that have limited access to technology, income and education resources that normally facilitate employment at the middle and upper tiers of key sectors such as advanced manufacturing.	City Manager - Office of Economic Development and Cultural Affairs		\$500,000	\$500,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Dislocated Workers - COVID-19/Revenue from Federal Government	City Manager - Office of Economic Development and Cultural Affairs		(\$18,855)	(\$18,855)

This action decreases the Dislocated Workers – COVID-19 appropriation and corresponding estimate for Revenue from the Federal Government by \$18,855 to reflect the remaining balance of the grant received from the Federal Government and align it with the actual expenditures.

This program provides retraining career coaching, occupational courses, and other training services that aid individuals who were laid off or lost their job due to COVID-19 pandemic.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development and Cultural Affairs		(\$91,667)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Other Revenue	City Manager - Office of Economic Development and Cultural Affairs			(\$91,667)
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This action decreases the estimate for Other Revenue by \$91,667 to align with actual grant allocations that will be received. This revenue was inadvertently allocated as part of the 2021-2022 Adopted Budget process, however, revenue was collected in a previous fiscal year. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Prison to Employment Implementation Grant/Revenue from Local Agencies	City Manager - Office of Economic Development and Cultural Affairs		(\$12,505)	(\$12,505)
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This action decreases the Prison to Employment Grant appropriation and corresponding estimate for Revenue from Local Agencies by \$12,505 to align with the Prison to Employment grant allocation received for Fiscal Year 2021-2022. This program serves formerly incarcerated and other justice involved individuals.

Rapid Response Grant/Revenue from Federal Government	City Manager - Office of Economic Development and Cultural Affairs		(\$141,382)	(\$141,382)
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This action decreases the Rapid Response Grant appropriation and the corresponding estimate for Revenue from the Federal Government by \$141,382 to align with the Fiscal Years 2020-2021 and 2021-2022 Rapid Response Grant allocation received from the Federal Government. This program provides job training services to businesses and workers impacted or at risk of being impacted like company closures or layoffs.

Special Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ Works (Wells Fargo)/Other Revenue	City Manager - Office of Economic Development and Cultural Affairs		\$15,000	\$15,000
<p>This action establishes the SJ Works (Wells Fargo) appropriation and increases the estimate for Other Revenue by \$15,000 to recognize a new grant award. This project is designed to support the San Jose Works Program particularly the administration of a financial management workshop for the youth participants.</p>				
Sling Shot Regional Plan Implementation/Revenue from Local Agencies	City Manager - Office of Economic Development and Cultural Affairs		(\$1,198)	(\$1,198)
<p>This action decreases the Sling Shot Regional Plan Implementation appropriation and corresponding estimate for Revenue from Local Agencies by \$1,198 to reflect the remaining balance of the grant received and align it with the actual expenditures. This program focuses on regional apprenticeship systems alignment and systems building. The development of a regional support network for nontraditional apprenticeships is projected to be the outcome of this grant.</p>				
Youth Workers/Revenue from Federal Government	City Manager - Office of Economic Development and Cultural Affairs		(\$89,076)	(\$89,076)
<p>This action decreases the Youth Workers appropriation and the corresponding estimate for Revenue from the Federal Government by \$89,076 to align with the Fiscal Years 2020-2021 and 2021-2022 Youth Workers allocation received from the Federal Government. This program provides job training, career coaching, vocational assessment, and other services that prepare youth ranging from 18 through 24 years of age to secure employment.</p>				
Workforce Development Fund (290)			\$65,545	\$65,545

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Airport Renewal and Replacement Fund (527)

Airfield Geometric Implementation	Airport		\$840,000
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This action increases the Airfield Geometric Implementation project by \$840,000, from \$2.6 million to \$3.5 million, to provide additional local share funding for an anticipated grant award from the Federal Aviation Administration (FAA). In order to apply for an Airport Improvement Program grant, the FAA requires demonstration of available funding with the grant application. Once the grant is awarded, actions to recognize and appropriate the funding will be brought forward for City Council consideration. The Airfield Geometric Implementation project is the second stage of a multi-year project to maximize airfield safety through facility design and reconfiguration improvements. A corresponding decrease to the Ending Fund Balance is recommended in this report.

Ending Fund Balance Adjustment	Finance		\$(840,000)
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Airport Renewal and Replacement Fund (527) TOTAL

Airport Revenue Bond Improvement Fund (526)

Transfer to Airport Revenue Fund (Interim Facility Project Savings)	Airport		\$931,776
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This action establishes a Transfer to the Airport Revenue Fund in the amount of \$931,776. Capital project savings remain in the Airport Revenue Bond Improvement Fund from the Interim Facility project that was completed and opened in June 2019. Project savings are not needed in this fund and can be transferred to the Airport Revenue Fund to be held in the Airline Agreement Reserve, per the Airline-Airport Operating Agreement. Corresponding actions to decrease the Ending Fund Balance in this fund and increase the revenue estimate for Transfers and Reimbursements in the Airport Revenue Fund are also recommended in this report.

Transfer to Airport Surplus Revenue Fund (Interim Facility Project Interest Earnings)			\$1,928
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This action establishes a Transfer to the Airport Surplus Revenue Fund in the amount of \$1,928 to reflect residual commercial paper interest earnings collected in the Airport Revenue Bond Improvement Fund for the Interim Facility capital project that was completed and opened in June 2019. These excess interest earnings can be transferred to the Airport Surplus Revenue Fund where commercial paper interest is recognized. Corresponding actions to increase the Ending Fund Balance and increase the revenue estimate for Transfers and Reimbursements in the Airport Surplus Revenue Fund are also recommended in this report.

Ending Fund Balance Adjustment	Finance		\$(933,704)
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Airport Revenue Bond Improvement Fund (526) TOTAL

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
General Purpose Parking Capital Fund (559)			
SAP/Diridon Area Parking and Transportation Reserve	Transportation	\$1,600,000	
<p>This action increases the SAP/Diridon Area Parking and Transportation Reserve by \$1.6 million, from \$2.4 million to \$4.0 million, to partially restore funding for the reserve. In 2020-2021, funds from this reserve were transferred to the General Purpose Parking Operating Fund to backfill for lost revenue from parking facilities and meters due to the COVID-19 pandemic. This action is funded by 2020-2021 savings generated from the Minor Parking Facility Improvements appropriation as a result of no significant repairs being needed at the parking facilities during the year. The SAP/Diridon Area Parking and Transportation Reserve is the primary funding source of future parking inventory to be developed in downtown San José. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(1,600,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
General Purpose Parking Capital Fund (559) TOTAL			
Council District 2 Construction and Conveyance Tax Fund (378)			
La Colina Park Playground Renovation	Parks, Recreation and Neighborhood Services	\$(68,000)	
<p>This action eliminates funding of \$68,000 for the La Colina Park Playground Renovation project as the renovation has been completed and the funds no longer needed. A corresponding action to increase the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$68,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			
Council District 2 Construction and Conveyance Tax Fund (378) TOTAL			
Council District 3 Construction and Conveyance Tax Fund (380)			
St. James Park Phase I Design	Parks, Recreation and Neighborhood Services	\$40,000	
<p>This action establishes the St. James Park Phase I Design appropriation at \$40,000. Savings from the St. James Interim Improvements project is recommended to be reallocated to this project. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(40,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Council District 3 Construction and Conveyance Tax Fund (380) TOTAL			
Council District 8 Construction and Conveyance Tax Fund (386)			
Welch Park Playground Improvements	Parks, Recreation and Neighborhood Services	\$89,000	
<p>The Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by the City Council, allocated funding for the Welch Park Playground Improvement project in the amount of \$95,000 from the Park Trust Fund (PTF) and \$5,000 from the Council District 8 Construction and Conveyance Tax Fund (CD8 C&C). However, only \$6,000 of PTF fees can be attributed to within the 3/4 mile nexus of the park, thus reducing the PTF funds eligible for this project. As a result, this action increases the CD8 share by \$89,000 from \$5,000 to \$94,000, to offset the \$89,000 reduction in PTF funds through a separate action. A corresponding action to decrease the Ending Fund Balance is recommended elsewhere in this report.</p>			

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 8 Construction and Conveyance Tax Fund (386)			
Ending Fund Balance Adjustment	Finance		\$(89,000)
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
Council District 8 Construction and Conveyance Tax Fund (386) TOTAL			
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Parks City-Wide Construction and Conveyance Tax Fund (391)			
Kelley Park Master Plan	Parks, Recreation and Neighborhood Services		\$10,000
This action increases the Kelley Park Master Plan appropriation by \$10,000, from \$19,000 to \$29,000, to support an additional two month extension requested by the contractor to complete the plan due to a more refined scope of work and the plan development schedule. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.			
TRAIL: Five Wounds Development (Story Road to Whitton Avenue)	Parks, Recreation and Neighborhood Services		\$50,000
This action establishes the Trail: Five Wounds Development (Story Road to Whitton Avenue) appropriation in the amount of \$50,000. This additional funding will support contract management costs to complete the study. A corresponding action to decrease the Matching Grant Reimbursement Reserve is recommended to offset this action, as the cost for this project is anticipated to ultimately be reimbursed by a State Coastal Conservancy grant.			
Infrastructure Backlog Reserve	Parks, Recreation and Neighborhood Services		\$2,500,000
This action increases the Infrastructure Backlog Reserve by \$2.5 million, from \$1.9 million to \$4.4 million, to set aside funding for deferred infrastructure rehabilitation projects that will be brought forward in future capital improvement plans. This funding is available as a result of higher than anticipated 2020-2021 Construction and Conveyance tax receipts. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.			
Matching Grant Reimbursement Reserve	Parks, Recreation and Neighborhood Services		\$(50,000)
This action decreases the Matching Grant Reimbursement Reserve by \$50,000, from \$3,000,000 to \$2,950,000, to fund an increase for the Trail: Five Wounds Development (Story Road to Whitton Avenue) project.			
Ending Fund Balance Adjustment	Finance		\$(2,510,000)
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL			
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Subdivision Park Trust Fund (375)			
St. James Park Phase I Design	Parks, Recreation and Neighborhood Services		\$20,000
This action increases the St. James Park Phase I Design appropriation by \$20,000, from \$2.0 million to \$2.02 million. Savings from the St. James Interim Improvements project is recommended to be reallocated to this project. A corresponding action to decrease the Future PDO/PIO Projects Reserve is recommended to offset this action.			
Watson Park Improvements	Parks, Recreation and Neighborhood Services		\$(140,000)
This action decreases the Watson Park Improvements appropriation by \$140,000, from \$145,000 to \$5,000. This project was completed earlier than planned and \$5,000 is needed to fund close out costs. Remaining project savings of \$140,000 is recommended to be returned to the Future PDO/PIO Projects Reserve.			

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
Welch Park Playground Improvements	Parks, Recreation and Neighborhood Services		\$(89,000)
<p>The Mayor's June Budget Message for Fiscal Year 2021-2022, as approved by the City Council, allocated funding for the Welch Park Playground Improvement project in the amount of \$95,000 from the Park Trust Fund (PTF) and \$5,000 from the Council District 8 Construction and Conveyance Tax Fund (CD8 C&C). However, only \$6,000 of PTF fees can be attributed to within the 3/4 mile nexus of the park, thus reducing the PTF funds eligible for this project. As a result, this action decreases the PTF funding by \$89,000, from \$95,000 to \$6,000, to offset the \$89,000 increase from CD8 C&C through a separate action. A corresponding action to increase the Future PDO/PIO Projects Reserve is recommended to offset this action.</p>			
TRAIL: Five Wounds Trestle Study	Parks, Recreation and Neighborhood Services		\$350,000
<p>This action establishes the Trail: Five Wounds Trestle Study project in the amount of \$350,000 to assess the integrity of the structure and whether the Coyote Creek Trail below the structure can be accessed by bicyclists and pedestrians. A fire occurred to the trestle recently, and the structure requires assessment regarding structural integrity. This is the first phase of the study. This action is offset by a corresponding decrease to the Trail: Five Wounds Land Acquisition Reserve.</p>			
Future PDO/PIO Projects Reserve	Parks, Recreation and Neighborhood Services		\$(991,000)
<p>This action decreases the Future PDO/PIO Projects Reserve to offset actions recommended in this report.</p>			
TRAIL: Five Wounds Land Acquisition Reserve	Parks, Recreation and Neighborhood Services		\$(350,000)
<p>This action decreases the Trail: Five Wounds Land Acquisition Reserve by \$350,000, from \$580,000 to \$230,000, to establish the Trail: Five Wounds Trestle Study project. A corresponding action to establish the Trail: Five Wounds Trestle Study project is recommended elsewhere in this report.</p>			
TRAIL: Three Creek Lonus Extension Construction Reserve	Parks, Recreation and Neighborhood Services		\$1,200,000
<p>This action establishes the Trail: Three Creek Lonus Extension Construction Reserve in the amount of \$1.2 million. Additional funds in the future will be set aside in this reserve for construction of a trail segment that will connect the Three Creeks Trail to the Los Gatos Creek Trail. A corresponding action to decrease the Future PDO/PIO Projects Reserve is recommended to offset this action.</p>			
Subdivision Park Trust Fund (375) TOTAL			
Neighborhood Security Bond Fund (475)			
Fire Facilities Remediation	Fire		\$25,041
<p>This action increases the Fire Facilities Remediation appropriation by \$25,041, from \$3.39 million to \$3.42 million, to allocate the remaining available funding in the Neighborhood Security Bond Fund for fire facilities remediation and is expected to be utilized by June 30, 2022. It is anticipated that this funding will be used for various remediation projects at Fire Stations 4, 10, and 24. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance		\$(25,041)
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Neighborhood Security Bond Fund (475) TOTAL			

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Construction and Conveyance Tax Fund (392)			
Fire Station 20 FF&E	Fire	\$24,000	

This action establishes a Fire Station 20 FF&E appropriation in the amount of \$24,000. The 2021-2025 Adopted Capital Improvement Budget originally provided funding for the design and construction of the new Aircraft Rescue and Fire Fighting (ARFF) Facility, otherwise known as Fire Station 20. An expansion to the existing fire station was added to have separate firefighters serve the landside emergency calls since the ARFF firefighters could only serve airside emergency calls. With this expansion, there was a need to purchase equipment such as furniture and workstation equipment to accommodate a squad company. A corresponding decrease to the New Fire Station FF&E Reserve is recommended in this report to offset this action.

Emergency Fire Equipment Reserve	Fire	\$1,400,000	
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This action establishes the Emergency Fire Equipment Reserve in the amount of \$1.4 million to set aside funding for emergency fire equipment replacement. Funding is anticipated to be needed in the current year to replace lifesaving medical equipment and radios that have reached the end of their useful life. Additionally, a reserve is being established in the General Fund in the amount of \$500,000 for the same purpose. As costs and needs arise for these items the Administration will recommend allocating all or a portion of this reserve as part of a future budget process. A corresponding decrease to the Ending Fund Balance is recommended in this report.

New Fire Station FF&E Reserve	Fire	\$(24,000)	
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This action decreases the New Fire Station FF&E Reserve by \$24,000 and reallocates the funds to the Fire Station 20 FF&E appropriation to provide the funding needed to outfit Fire Station 20 with necessary furniture and equipment.

Ending Fund Balance Adjustment	Finance	\$(1,400,000)	
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This action decreases the Ending Fund Balance to offset actions recommended in this report.

Fire Construction and Conveyance Tax Fund (392) TOTAL

Construction Excise Tax Fund (465)

Revenue from the Federal Government (Vision Zero: Multimodal Traffic Safety Education)		\$110,000
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This action increases the estimate for Revenue from the Federal Government by \$110,000 for a new Office of Traffic Safety grant award for Vision Zero Multimodal Traffic Safety Education. A corresponding increase to the Vision Zero: Multimodal Traffic Safety Education appropriation is recommended to offset this action.

Revenue from Local Agencies (Airport Connector)		\$1,250,000
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This action increases the estimate for Revenue from Local Agencies by \$1.25 million to recognize funding from the Valley Transportation Authority for the Airport Connector project. Total project funding of \$2.5 million is provided by an agreement with the Valley Transportation Authority and was originally budgeted equally across both the Building and Structure Construction Tax and Construction Excise Tax Funds as part of an action approved by the City Council at their meeting on June 29, 2021. However, it was determined that all the revenues and expenditures associated with this project should be budgeted in the Construction Excise Tax Fund. Corresponding actions to reduce the revenues and appropriation in the Building and Structure Construction Tax Fund are recommended elsewhere in this report.

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
San Felipe and Yerba Buena Intersection Improvements	Transportation		\$500,000
<p>This action establishes the San Felipe and Yerba Buena Intersection Improvements appropriation in the amount of \$500,000 to extend the northbound left turn lane at the San Felipe Road and Yerba Buena Road intersection. Improvements include reconfiguring the median island, striping realignment, and bicycle and pedestrian safety improvements. A corresponding decrease to the Evergreen Traffic Impact Fees Reserve is recommended to offset this action.</p>			
Nieman Boulevard and Daniel Maloney Drive Improvements	Transportation		\$360,000
<p>This action establishes the Nieman Boulevard and Daniel Maloney Drive Improvements appropriation in the amount of \$360,000 to construct pedestrian, bicycle, and driver safety improvements to the streets. A corresponding decrease to the Evergreen Traffic Impact Fees Reserve is recommended to offset this action.</p>			
Pavement Maintenance – City	Transportation		\$1,000,000
<p>This action increases the Pavement Maintenance - City appropriation by \$1.0 million, from \$1.0 million to \$2.0 million, to restore funding that was decreased in the 2021-2026 Adopted Capital Improvement Program as part of rebalancing actions for the Traffic Capital Program. This action will be funded by available fund balance in the Construction Excise Tax Fund as a result of various project savings that were generated at the end of 2020-2021. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Regional Rail Planning	Transportation		\$(1,250,000)
<p>This action decreases the Regional Rail Planning appropriation by \$1.25 million, from \$1.8 million to \$513,000, for the Airport Connector project and reallocates the funding to the new Airport Connector appropriation. Funding for this project was originally budgeted in the Regional Rail Planning appropriation in the Building and Structure Construction Tax and Construction Excise Tax Funds as part of an action approved by the City Council at their meeting on June 29, 2021. However, it was determined that all the revenues and expenditures associated with this project should be budgeted in the Construction Excise Tax Fund under one new appropriation specific to this project. This action consolidates all the funding to the Airport Connector appropriation.</p>			
Airport Connector	Transportation		\$2,500,000
<p>This action establishes the Airport Connector appropriation in the amount of \$2.5 million. Funding for this project was originally budgeted in the Regional Rail Planning appropriation in the Building and Structure Construction Tax and Construction Excise Tax Funds, and this action consolidates all the funding in one fund and establishes a separate Airport Connector appropriation. The funding provides for the development of the Airport Connector Pre-Development Agreement Request for Proposals. The project costs are covered by a funding agreement with the Valley Transportation Authority. Corresponding actions to decrease the Regional Rail Planning appropriation (\$1.25 million) and increase the estimate for Revenue from Local Agencies (\$1.25 million) are recommended to offset this action.</p>			
Inter-Agency Encroachment Permit	Transportation		\$48,000
<p>This action increases the Inter-Agency Encroachment Permit appropriation by \$48,000, from \$100,000 to \$148,000, to appropriate fee revenues received in 2020-2021, which were higher than estimated due to an unanticipated volume of permit requests. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.</p>			

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Vision Zero: Multimodal Traffic Safety Education	Transportation	\$110,000	
<p>This action increases the Vision Zero: Multimodal Traffic Safety Education appropriation by \$110,000 to appropriate funding from a new Office of Traffic Safety grant award. The grant will fund activities, such as classroom education, bicycle rodeos, and community events, to reduce the number of persons killed or injured in crashes involving pedestrians and bicyclists. A corresponding increase to the estimate for Revenue from the Federal Government is recommended to offset this action.</p>			
Evergreen Traffic Impact Fees Reserve	Transportation	\$(860,000)	
<p>This action decreases the Evergreen Traffic Impact Fees Reserve by \$860,000, from \$4.7 million to \$3.9 million. The funds will be used to establish the San Felipe and Yerba Buena Intersection Improvements project (\$500,000) and the Nieman Boulevard and Daniel Maloney Drive Improvements project (\$360,000) as recommended in this report.</p>			
Transportation Grants Reserve	Transportation	\$3,000,000	
<p>This action increases the Transportation Grants Reserve by \$3.0 million, from \$125,000 million to \$3.125 million. Actual Construction Excise Tax revenue collections ended 2020-2021 higher than originally estimated by \$3.1 million and it is recommended that the additional funding be set aside in the Transportation Grants Reserve to provide for City matching funds for future grant funding opportunities. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(4,048,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Construction Excise Tax Fund (465) TOTAL		\$1,360,000	\$1,360,000
Building and Structure Construction Tax Fund (429)			
Revenue from Local Agencies (Airport Connector)			\$(1,250,000)
<p>This action decreases the estimate for Revenue from Local Agencies by \$1.25 million for the Airport Connector project. Total funding of \$2.5 million is provided by an agreement with the Valley Transportation Authority and was originally budgeted equally across both the Building and Structure Construction Tax and Construction Excise Tax Funds as part of an action approved by the City Council at their meeting on June 29, 2021. However, it was determined that all the revenues and expenditures associated with this project should be budgeted in the Construction Excise Tax Fund. Corresponding actions to recognize the funding from the Valley Transportation Authority and appropriate the project are included in the Construction Excise Tax Fund as recommended elsewhere in this report.</p>			
Regional Rail Planning	Transportation	\$(1,250,000)	
<p>This action decreases the Regional Rail Planning appropriation by \$1.25 million, from \$2.2 million to \$995,000. The funding was initially appropriated as part of an action approved by the City Council at their meeting on June 29, 2021 to provide for the development of the Airport Connector Pre-Development Agreement Request for Proposals. The total cost of \$2.5 million was originally budgeted equally in both the Building and Structure Construction Tax Fund and the Construction Excise Tax Fund, but it is recommended that all the funding be consolidated in one appropriation in the Construction Excise Tax Fund. This action reduces the funding in the Building and Structure Construction Tax Fund. Corresponding actions to appropriate and recognize the revenue in the Construction Excise Tax Fund are recommended elsewhere in this report.</p>			

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
Traffic Signal Improvement Program	Transportation	\$32,000	
<p>This action increases the Traffic Signal Improvement Program appropriation by \$32,000, from \$931,000 to \$963,000, to appropriate fee revenue received in 2020-2021 for traffic signal controller work on Leigh Avenue, Samaritan Drive, and for the Santana West Development and Harker Middle School Campus projects. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Transportation Grants Reserve	Transportation	\$2,000,000	
<p>This action increases the Transportation Grants Reserve by \$2.0 million, from \$3.1 million to \$5.1 million. Actual Building and Structure Construction Tax revenue collections ended 2020-2021 \$2.2 million higher than originally estimated and it is recommended that the additional funding be set aside in the Transportation Grants Reserve to provide for City matching funds for future grant funding opportunities. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(2,032,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Building and Structure Construction Tax Fund (429) TOTAL		\$(1,250,000)	\$(1,250,000)
San José-Santa Clara Treatment Plant Capital Fund (512)			
Financing Proceeds (Wastewater Revenue Notes)			\$24,900,000
<p>This action increases the estimate for Financing Proceeds (Wastewater Revenue Notes) by \$24.9 million, from \$124.0 million to \$148.9 million. This action resolves a budgetary gap between the available source of funds that was identified during the reconciliation of Fiscal Year 2020-2021, and ensures sufficient capacity to support expenditures for a variety of projects at the San José-Santa Clara Treatment Plant for Fiscal Year 2021-2022. Financing Proceeds will only be drawn as necessary to ensure appropriate funds are available for projects. It is important to note that Wastewater Revenue Notes are an interim financing mechanism in anticipation of a long-term bond issuance in 2022-2023. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report.</p>			
Ending Fund Balance Adjustment	Finance	\$24,900,000	
<p>This action increases the Ending Fund Balance to offset the action recommended elsewhere in this report.</p>			
San José-Santa Clara Treatment Plant Capital Fund (512) TOTAL		\$24,900,000	\$24,900,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds Recommended Budget Adjustments Summary 2020-2021 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Measure T: Public Safety and Infrastructure Bond Fund (498)			
Measure T - Emergency Operations Center Relocation	Public Works	\$4,200,000	

This action increases the Emergency Operations Center (EOC) Relocation project appropriation by \$4,200,000. The primary funding source for this project is in the Public Safety and Infrastructure Bond Fund (Measure T). Given the project timeline and when the second bond issuance was scheduled, the authorization of commercial paper in the General Fund was necessary to ensure sufficient funding was available for the project in advance of the second bond issuance. However as the Measure T bond issuance occurred in July 2021, commercial paper is no longer needed and the corresponding expenditures can be directly charged against Measure T resources instead of the General Fund. This adjustment accounts for \$4,200,000 that previously would have been funded through the commercial paper had there been any delays to the second bond issuance. A corresponding decrease from the Public Safety Program Reserve in Measure T is included elsewhere in this report.

Measure T - Program Reserve (Public Safety)	Public Works	\$(4,200,000)
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This action decreases the Public Safety Program Reserve in the Public Safety and Infrastructure Bond Fund by \$4,200,000 to fund the Emergency Operations Center (EOC) Relocation project. A corresponding increase to the EOC Relocation project is included elsewhere in this report.

Measure T: Public Safety and Infrastructure Bond Fund (498) TOTAL

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST	
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance		
DEPARTMENTAL EXPENSES								
Office of the City Attorney								
	Required Technical-Rebalancing Actions	Personal Services (Public Safety Initiatives)	\$100,000	-	\$100,000	-	-	\$100,000
		Personal Services (Staff Funding Shift)	\$78,357	-	\$78,357	-	-	\$78,357
		Non-Personal/Equipment (Legal Services for Redistricting Commission)	-	\$60,000	\$60,000	-	-	\$60,000
Office of the City Clerk								
	Rebudgets	Rebudget: Non-Personal/Equipment (Professional Services for Redistricting Commission)	-	\$78,000	\$78,000	-	-	\$78,000
Office of the City Manager								
	Clean-Up Actions	Tech Adjust: Personal Services (Reallocation from Non-Personal/Equipment for Office of Administration, Policy, and Intergovernmental Relations - Stimulus and Infrastructure Advocacy Temporary Staffing)	\$50,000	-	\$50,000	-	-	\$50,000
		Tech Adjust: Non-Personal/Equipment (Reallocation to Personal Services for Office of Administration, Policy, and Intergovernmental Relations - Stimulus and Infrastructure Advocacy Temporary Staffing)	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
Office of the City Manager								
	Rebudgets	Rebudget: Personal Services (2020 - Urban Areas Security Initiative Grant - OEM)/Revenue from Federal Government	\$245,400	-	\$245,400	\$245,400	-	-
		Rebudget: Personal Services (Savings from Non-Personal/Equipment)	\$150,000	-	\$150,000	-	-	\$150,000
		Rebudget: Local Sales Tax - Community Emergency Response Training Program	-	(\$7,500)	(\$7,500)	-	-	(\$7,500)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
DEPARTMENTAL EXPENSES							
Environmental Services Department	Rebudget: Personal Services (Office of Racial Equity and Administration, Policy & Intergovernmental Relations)	(\$65,000)	-	(\$65,000)	-	-	(\$65,000)
Environmental Services Department	Required Technical-Rebalancing Actions						
	Non-Personal/Equipment (Energy and Water Building Performance Ordinance)	-	\$35,000	\$35,000	-	-	\$35,000
Environmental Services Department	Rebudgets						
	Rebudget: Non-Personal/Equipment (Climate Smart San José Plan Implementation)	-	(\$85,768)	(\$85,768)	-	-	(\$85,768)
Fire Department	Required Technical-Rebalancing Actions						
	Non-Personal/Equipment (Aircraft Rescue/Fire Fighting Services)	-	\$57,374	\$57,374	-	-	\$57,374
	Non-Personal/Equipment (Academy Equipment/Tools Replacement)	-	\$59,130	\$59,130	-	-	\$59,130
	Non-Personal/Equipment (Computer Aided Dispatch System)	-	\$130,000	\$130,000	-	-	\$130,000
Human Resources Department	Required Technical-Rebalancing Actions						
	Personal Services (Learning and Development)	\$185,000	-	\$185,000	-	-	\$185,000
	Non-Personal/Equipment (Learning and Development)	-	(\$185,000)	(\$185,000)	-	-	(\$185,000)
Information Technology Department	Required Technical-Rebalancing Actions						
	Non-Personal/Equipment (Microsoft O365 Licensing)	-	\$45,000	\$45,000	-	-	\$45,000
Information Technology Department	Clean-Up Actions						
	Tech Adjust: Personal Services (Funding Shift for Products-Project Manager)	(\$52,540)	-	(\$52,540)	-	-	(\$52,540)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal		USE		SOURCE		NET COST		
		Personal Services	Non-Personal/ Equipment	Revenue	Beg Fund Balance			
DEPARTMENTAL EXPENSES								
Library Department	Rebudget: Non-Personal/Equipment (Early Learning Programs, Family Resource Center)	-	\$50,000	\$50,000	-	-	\$50,000	
Rebudgets	Rebudget: Non-Personal/Equipment (Childcare Workforce Development)	-	\$100,000	\$100,000	-	-	\$100,000	
Mayor & City Council	Required Technical-Rebalancing Actions	Office of the Mayor (City Attorney Support for Public Safety Initiatives)	(\$100,000)	-	(\$100,000)	-	(\$100,000)	
Mayor & City Council	Grants-Reimbursements-Fees	Council District #05/Other Revenue (Sponsorships)	\$12,500	-	\$12,500	\$9,500	-	\$3,000
		Office of the Mayor/Other Revenue (Knight Foundation and Harvard Business School)	\$95,000	-	\$95,000	\$95,000	-	-
Mayor & City Council	Rebudgets	Rebudget: Council District #01	\$41,316	-	\$41,316	-	-	\$41,316
		Rebudget: Council District #02	(\$14,253)	-	(\$14,253)	-	-	(\$14,253)
		Rebudget: Council District #03	\$2,925	-	\$2,925	-	-	\$2,925
		Rebudget: Council District #04	\$65,389	-	\$65,389	-	-	\$65,389
		Rebudget: Council District #05	\$25,228	-	\$25,228	-	-	\$25,228
		Rebudget: Council District #06	\$10,653	-	\$10,653	-	-	\$10,653
		Rebudget: Council District #07	\$34,788	-	\$34,788	-	-	\$34,788
		Rebudget: Council District #08	\$26,887	-	\$26,887	-	-	\$26,887
		Rebudget: Council District #09	\$17,099	-	\$17,099	-	-	\$17,099
		Rebudget: Council District #10	\$25,869	-	\$25,869	-	-	\$25,869
		Rebudget: Office of the Mayor	\$205,045	-	\$205,045	-	-	\$205,045

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES							
Parks, Recreation and Neighborhood Services Department							
Required Technical-Rebalancing Actions	Personal Services (Pest and Turf Management Team)	\$425,000	-	\$425,000	-	-	\$425,000
	Non-Personal/Equipment (Pest and Turf Management Team)	-	\$12,500	\$12,500	-	-	\$12,500
Parks, Recreation and Neighborhood Services Department							
Rebudgets	Rebudget: Personal Services (Kaiser Healthy Aging Grant)	(\$3,070)	-	(\$3,070)	-	-	(\$3,070)
	Rebudget: Non-Personal/Equipment/Other Revenue (Digital Literacy)	-	\$21,725	\$21,725	\$10,500	-	\$11,225
	Rebudget: Local Sales Tax- BeautifySJ Days (Non-Personal/Equipment)	-	\$25,520	\$25,520	-	-	\$25,520
Planning, Building and Code Enforcement Department							
Clean-Up Actions	Tech Adjust: Personal Services (Funding Reallocation)	(\$430,454)	-	(\$430,454)	-	-	(\$430,454)
	Tech Adjust: Solid Waste - Personal Services (Funding Reallocation)	\$203,717	-	\$203,717	-	-	\$203,717
	Tech Adjust: Multiple Housing - Personal Services (Funding Reallocation)	\$225,709	-	\$225,709	-	-	\$225,709
	Tech Adjust: Development Fee Program - Shared Resources Personal Services (Funding Reallocation)	\$1,028	-	\$1,028	-	-	\$1,028
Planning, Building and Code Enforcement Department							
Rebudgets	Rebudget: Multiple Housing - Non-Personal/Equipment (Code Consultant Study)	-	\$200,000	\$200,000	-	-	\$200,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
DEPARTMENTAL EXPENSES							
Police Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Gaming Background Services)	-	\$60,000	\$60,000	-	-	\$60,000
	Non-Personal/Equipment (Recruiting/Marketing)	-	\$125,000	\$125,000	-	-	\$125,000
	Personal Services (Public Records Act Temporary Staff)	\$350,000	-	\$350,000	-	-	\$350,000
Public Works Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Police Training Center Maintenance and Operations)	-	\$40,700	\$40,700	-	-	\$40,700
Transportation Department							
Rebudgets	Rebudget: Non-Personal/Equipment (LED Streetlight Fixture Conversion)	-	\$49,249	\$49,249	-	-	\$49,249
	DEPARTMENTAL EXPENSES TOTAL	\$1,911,593	\$820,930	\$2,732,523	\$360,400	-	\$2,372,123
CITY-WIDE EXPENSES							
Urgent Fiscal-Program Needs	Customer Service Vision and Standards	-	\$400,000	\$400,000	-	-	\$400,000
	City Facilities Security Improvements	-	\$750,000	\$750,000	-	-	\$750,000
Required Technical-Rebalancing Actions	Insurance Premiums	-	\$300,000	\$300,000	-	-	\$300,000
	City Health Plan Incentive	-	\$57,750	\$57,750	-	-	\$57,750
	Library Grants (Pacific Library Partnership - Lunch at the Library)	-	\$6,390	\$6,390	-	-	\$6,390
	Measure E - Quetzal Garden	-	\$1,000,000	\$1,000,000	-	-	\$1,000,000
	Coyote Creek Trail Patrol	\$400,000	-	\$400,000	-	-	\$400,000
	Diridon Station Area Development Planning	-	\$449,543	\$449,543	-	-	\$449,543

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CITY-WIDE EXPENSES							
	BeautifySJ Grants	-	\$15,014	\$15,014	-	-	\$15,014
	4th of July Celebration	-	\$250,000	\$250,000	-	-	\$250,000
	San José BEST Accountability and Oversight Improvements	-	\$170,000	\$170,000	-	-	\$170,000
Grants-Reimbursements-Fees	Library Grants/Revenue from State of California (First 5 Santa Clara County-Bridge Library Services and Family Friends Neighbors)	-	\$170,990	\$170,990	\$170,990	-	-
	PG&E Summer Cooling Shelter Program Grant/Other Revenue	-	\$7,000	\$7,000	\$7,000	-	-
	National Endowment for the Arts for Creative Ambassadors/Revenue from Federal Government	-	\$30,000	\$30,000	\$30,000	-	-
	County of Santa Clara Probation Teen Programming/Revenue from Local Agencies	-	\$18,778	\$18,778	\$18,778	-	-
	Library Grants/Revenue from State of California (CLLS Adult Literacy and Family Literacy Services)	-	\$171,573	\$171,573	\$171,573	-	-
	After School Education and Safety Programs for 2021-2022/Revenue from Local Agencies	\$450,938	-	\$450,938	\$450,938	-	-
	Diridon Station Area Development Planning - Electric Microgrid (Shift from Office of Economic Development Cultural Affairs to Community Energy Department)/Other Revenue	-	\$482,500	\$482,500	\$482,500	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CITY-WIDE EXPENSES							
	Sourcewise Grant for Recreation and Connectivity Project/Other Revenue	-	\$8,447	\$8,447	\$8,447	-	-
	Senate Bill 2 - Housing and Community Development Grant/Revenue from State of California	-	\$163,364	\$163,364	\$163,364	-	-
	CityView Acquisition Project/Other Revenue	-	\$1,599,603	\$1,599,603	\$1,599,603	-	-
	Emergency Management Performance Grant/Revenue from Federal Government	-	\$82,000	\$82,000	\$82,000	-	-
	SJPL Foundation Grants/Other Revenue (Childcare Workforce Development)	\$126,000	-	\$126,000	\$126,000	-	-
	Selective Traffic Enforcement Program 2021-2022/Revenue from Federal Government	\$200,000	-	\$200,000	\$200,000	-	-
	State Homeland Security Grant Program 2021-2022/Revenue from Federal Government	-	\$312,000	\$312,000	\$312,000	-	-
	work2future San José Job Center Relocation/Other Revenue	-	\$300,000	\$300,000	\$300,000	-	-
	VivaCalle SJ 2022/Other Revenue	-	\$48,000	\$48,000	\$48,000	-	-
	Youth Reinvestment Grant/Revenue from State of California	-	\$322,996	\$322,996	\$136,416	-	\$186,580
Clean-Up Actions	Tech Adjust: Public, Educational, and Government (PEG) Access Facilities - Capital (Reconciliation)	-	(\$46,129)	(\$46,129)	-	-	(\$46,129)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CITY-WIDE EXPENSES							
	Tech Adjust: Certified Access Specialist Program (Revenue Reconciliation)	-	\$39,209	\$39,209	-	-	\$39,209
	Tech Adjust: Government Access - Capital Expenditures (Reconciliation)	-	(\$15,376)	(\$15,376)	-	-	(\$15,376)
	Tech Adjust: Tree Mitigation (Reconciliation)	-	\$516,860	\$516,860	-	-	\$516,860
	Tech Adjust: Hispanic Foundation of Silicon Valley (Reallocation to Library Department from the Office of Economic Development and Cultural Affairs)	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
	Tech Adjust: Contractual Street Tree Planting (Reconciliation)	-	\$3,193	\$3,193	-	-	\$3,193
	Tech Adjust: Hispanic Foundation of Silicon Valley (Reallocation from the Office of Economic Development and Cultural Affairs Department to the Library Department)	-	\$50,000	\$50,000	-	-	\$50,000
	Tech Adjust: 10,000 Degrees (Reallocation from the Parks, Recreation and Neighborhood Services Department to the Library Department)	-	\$10,000	\$10,000	-	-	\$10,000
	Tech Adjust: 4th Street Garage Banquet Facility Maintenance and Operations (Reconciliation)	-	(\$15,000)	(\$15,000)	-	-	(\$15,000)
	Tech Adjust: San Jose Downtown Association/Transfers and Reimbursements	-	\$100,000	\$100,000	\$100,000	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CITY-WIDE EXPENSES							
	Tech Adjust: 10,000 Degrees (Reallocation to Library Department from Parks, Recreation and Neighborhood Services)	-	(\$10,000)	(\$10,000)	-	-	(\$10,000)
Rebudgets	Rebudget: CityView Acquisition Project	-	\$10,744	\$10,744	-	-	\$10,744
	Rebudget: Climate Smart/Revenue from Local Agencies (Open Space Authority Grant)	-	\$37,697	\$37,697	\$27,883	-	\$9,814
	Rebudget: Certified Access Specialist Program	-	\$569,120	\$569,120	-	-	\$569,120
	Rebudget: City Health Plan Incentive	-	\$3,000	\$3,000	-	-	\$3,000
	Rebudget: Independent After Action Incident Report	-	\$60,000	\$60,000	-	-	\$60,000
	Rebudget: Arena Community Fund	-	\$15,936	\$15,936	-	-	\$15,936
	Rebudget: Climate Smart San José Plan Implementation	-	\$65,967	\$65,967	-	-	\$65,967
	Rebudget: City Council Participatory Budgeting – Council District #01	-	(\$25,596)	(\$25,596)	-	-	(\$25,596)
	Rebudget: Digital Inclusion Program	-	\$474,088	\$474,088	-	-	\$474,088
	Rebudget: Diridon Station Area Development Planning	-	(\$67,847)	(\$67,847)	-	-	(\$67,847)
	Rebudget: Burrowing Owl Habitat Management	-	\$63,954	\$63,954	-	-	\$63,954
	Rebudget: Car Break-in Prevention Program	-	\$11,000	\$11,000	-	-	\$11,000
	Rebudget: General Liability Claims	-	(\$70,200)	(\$70,200)	-	-	(\$70,200)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES						
Rebudget: City Council Participatory Budgeting – Council District #03	-	\$9,940	\$9,940	-	-	\$9,940
Rebudget: City Manager Special Projects	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: County of Santa Clara Public Art Master Plan/Revenue from Local Agencies	-	(\$2,937)	(\$2,937)	\$3,300	-	(\$6,237)
Rebudget: Remote Work Facilitation - Drive to Digital	-	\$25,000	\$25,000	-	-	\$25,000
Rebudget: City Council Participatory Budgeting – Council District #05	-	\$940	\$940	-	-	\$940
Rebudget: Public Safety Community Process	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: Cultural Affairs Special Projects/Other Revenue	-	(\$156)	(\$156)	(\$1,237)	-	\$1,081
Rebudget: Flood Emergency Response Plans	-	\$269,000	\$269,000	-	-	\$269,000
Rebudget: City Outreach and Education Efforts	-	\$55,000	\$55,000	-	-	\$55,000
Rebudget: VTA Eastridge to BART Regional Connector Public Art	-	(\$11,368)	(\$11,368)	-	-	(\$11,368)
Rebudget: Public, Educational, and Government (PEG) Access Facilities - Capital	-	\$38,334	\$38,334	-	-	\$38,334
Rebudget: City Website and Intranet Redesign	-	(\$6,500)	(\$6,500)	-	-	(\$6,500)
Rebudget: Storefront Activation Grant Program	-	(\$30,000)	(\$30,000)	-	-	(\$30,000)
Rebudget: Neighborhood Business Districts	-	\$200,000	\$200,000	-	-	\$200,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES						
Rebudget: Youth Reinvestment Grant/Revenue from State of California	-	\$37,354	\$37,354	\$196,917	-	(\$159,563)
Rebudget: City Law Enforcement Grant 2016-2017	\$100	-	\$100	-	-	\$100
Rebudget: Government Access - Capital Expenditures	-	\$1,509,320	\$1,509,320	-	-	\$1,509,320
Rebudget: Tree Mitigation	-	\$23,610	\$23,610	-	-	\$23,610
Rebudget: CommUniverCity Program-		\$5,182	\$5,182	-	-	\$5,182
Rebudget: Library Grants (CSL SJ Early Education Standards)/Revenue from Local Agencies	-	(\$7,064)	(\$7,064)	(\$122,898)	-	\$115,834
Rebudget: Internet Crimes Against Children Federal Grant 2017-2018/Revenue from Federal Government	(\$5,740)	-	(\$5,740)	(\$5,313)	-	(\$427)
Rebudget: Cadillac Winchester Neighborhood	-	\$10,000	\$10,000	-	-	\$10,000
Rebudget: Internet Crimes Against Children Task Force Invited Awards - Police 2020/Revenue from Federal Government	\$3,295	-	\$3,295	\$734	-	\$2,561
Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations	-	\$300,308	\$300,308	-	-	\$300,308
Rebudget: Homeless Rapid Rehousing	-	\$69,963	\$69,963	-	-	\$69,963
Rebudget: Outdoor Park Activation	-	(\$48,558)	(\$48,558)	-	-	(\$48,558)
Rebudget: Accessory Dwelling Unit Amnesty Program	-	\$183,000	\$183,000	-	-	\$183,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE		Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES						
Rebudget: OVW Improving Criminal Justice Response Program/Revenue from Federal Government	\$30,695	-	\$30,695	\$289,394	-	(\$258,699)
Rebudget: Justice and Mental Health Collaboration Program/Revenue from Federal Government	(\$16,295)	-	(\$16,295)	\$32,725	-	(\$49,020)
Rebudget: Digital Inclusion	-	\$353,000	\$353,000	-	-	\$353,000
Rebudget: 2017 Flood - Building Permit and Inspection Fee Waivers	-	\$24,904	\$24,904	-	-	\$24,904
Rebudget: Urban Areas Security Initiative Grant - Police 2019/Revenue from Federal Government	-	\$16,934	\$16,934	\$16,934	-	-
Rebudget: State of the City Convocation	-	\$30,000	\$30,000	-	-	\$30,000
Rebudget: Remote Work Facilitation - Effective Teams	-	(\$135,716)	(\$135,716)	-	-	(\$135,716)
Rebudget: Digital Divide	-	(\$233,000)	(\$233,000)	-	-	(\$233,000)
Rebudget: Urban Areas Security Initiative Grant - Police 2020/Revenue from Federal Government	-	(\$1,011)	(\$1,011)	\$134,989	-	(\$136,000)
Rebudget: Consulting and Planning Support	-	\$73,000	\$73,000	-	-	\$73,000
Rebudget: Learning and Development Roadmap (From Human Resources Department's Non-Personal/Equipment Savings)	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: Blight Busters	-	\$87,678	\$87,678	-	-	\$87,678

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund

Recommended Budget Adjustments and Clean-Up Actions 2021-2022 Annual Report

Department/Proposal	USE		Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES						
Rebudget: Destination: Home SV Grant	-	\$12,842	\$12,842	-	-	\$12,842
Rebudget: Internet Crimes Against Children State Grant 2020-2021/Revenue from State of California	-	\$5,531	\$5,531	\$196,769	-	(\$191,238)
Rebudget: Selective Traffic Enforcement Program 2020-2021/Revenue from Federal Government	\$3,977	-	\$3,977	\$3,977	-	-
Rebudget: Police Reforms Workplan	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: T-Mobile Macro Site Permitting	-	(\$59,317)	(\$59,317)	-	-	(\$59,317)
Rebudget: Parent Project/Revenue from Local Agencies	\$109,835	-	\$109,835	\$104,133	-	\$5,702
Rebudget: State Homeland Security Grant Program/Revenue from Federal Government	-	\$66,349	\$66,349	\$61,966	-	\$4,383
Rebudget: San Jose BEST and Safe Summer Initiative Programs	-	\$215,321	\$215,321	-	-	\$215,321
Rebudget: Bulletproof Vest Partnership 2020/Revenue from Federal Government	-	\$145	\$145	\$187	-	(\$42)
Rebudget: BeautifySJ - Illegal Dumping	-	\$1,024,105	\$1,024,105	-	-	\$1,024,105
Rebudget: Local Assistance	-	\$2,111,250	\$2,111,250	-	-	\$2,111,250
Rebudget: Pocket Park in the Tropicana-Lanai Neighborhood	-	\$2,100	\$2,100	-	-	\$2,100
Rebudget: Adobe Sponsored Artist Support	-	\$30,000	\$30,000	-	-	\$30,000
Rebudget: San Jose Regional Transportation Hub Project	-	(\$10,873)	(\$10,873)	-	-	(\$10,873)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES						
Rebudget: Creating Connections	-	\$2,682	\$2,682	-	-	\$2,682
Rebudget: Northern California Regional Intelligence Center - Police 2020/Revenue from Federal Government	(\$13,262)	-	(\$13,262)	(\$13,262)	-	-
Rebudget: Mobile Data Computer Replacement	(\$24,938)	-	(\$24,938)	-	-	(\$24,938)
Rebudget: Museum Place Project	-	\$5,000	\$5,000	-	-	\$5,000
Rebudget: Coronavirus Emergency Supplemental Funding Program Grant 2020/Revenue from Federal Government	(\$401,728)	-	(\$401,728)	(\$401,728)	-	-
Rebudget: San Jose Creates and Connects	-	\$11,000	\$11,000	-	-	\$11,000
Rebudget: Downtown Pedestrian Quality of Life	-	\$5,000	\$5,000	-	-	\$5,000
Rebudget: Mexican Heritage Plaza Capital Maintenance	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: Sourcewise Grant for Recreation and Connectivity Project/Other Revenue	-	\$12,177	\$12,177	(\$1,251)	-	\$13,428
Rebudget: Japantown Creative Center for the Arts Transportation Improvements	-	\$150,000	\$150,000	-	-	\$150,000
Rebudget: Youth Commission	-	\$5,000	\$5,000	-	-	\$5,000
Rebudget: Department of Justice - Bureau of Justice Assistance Grant Category 3	-	(\$63,965)	(\$63,965)	-	-	(\$63,965)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund

Recommended Budget Adjustments and Clean-Up Actions

2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CITY-WIDE EXPENSES							
	Rebudget: CalOES Trauma to Triumph at Santa Clara Valley Medical Center Program 2020-2021/Revenue from State of California	-	(\$6,994)	(\$6,994)	(\$82,006)	-	\$75,012
	Rebudget: CalVIP Trauma to Triumph at Regional Medical Center Program 2020-2021	-	\$6,585	\$6,585	-	-	\$6,585
	Rebudget: PG&E Summer Cooling Shelter Program Grant	-	(\$1,086)	(\$1,086)	-	-	(\$1,086)
	CITY-WIDE EXPENSES TOTAL	\$862,877	\$15,715,577	\$16,578,454	\$4,849,822	-	\$11,728,632
CAPITAL PROJECT EXPENSES							
Required Technical-Rebalancing Actions	Capital Program and Public Works Department Support Service Costs (General Obligation Bond Fund)	-	\$85,000	\$85,000	-	-	\$85,000
	Emergency Operations Center Relocation Capital Contributions/Other Revenue (Commercial Paper)	-	(\$4,200,000)	(\$4,200,000)	(\$4,200,000)	-	-
Clean-Up Actions	Tech Adjust: Stevens Creek Corridor Vision Study (Retitle from High Capacity and Safe Transit Corridor)	-	-	-	-	-	-
Rebudgets	Rebudget: Fire Training Center Environmental Monitoring	-	\$122,000	\$122,000	-	-	\$122,000
	Rebudget: Ice Centre Expansion Project Mgmt & Admin Costs	-	\$43,000	\$43,000	-	-	\$43,000
	Rebudget: Fire Training Center Relocation	-	\$1,838,000	\$1,838,000	-	-	\$1,838,000
	Rebudget: Fire Apparatus Replacement	-	(\$128,000)	(\$128,000)	-	-	(\$128,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CAPITAL PROJECT EXPENSES						
Rebudget: Guadalupe River Park Ranger Rehabilitation	-	(\$17,000)	(\$17,000)	-	-	(\$17,000)
Rebudget: 4th Street Garage Fire Pump Replacement	-	\$238,000	\$238,000	-	-	\$238,000
Rebudget: Alviso Park Improvements-	-	\$222,000	\$222,000	-	-	\$222,000
Rebudget: Kelley House Demolition	-	\$1,000	\$1,000	-	-	\$1,000
Rebudget: Animal Care and Services - Various Improvements	-	(\$18,000)	(\$18,000)	-	-	(\$18,000)
Rebudget: Animal Care and Services Waterproofing	-	(\$7,000)	(\$7,000)	-	-	(\$7,000)
Rebudget: Arena Repairs	-	\$78,000	\$78,000	-	-	\$78,000
Rebudget: City Hall Campus Expansion	-	\$175,000	\$175,000	-	-	\$175,000
Rebudget: City Hall Elevator Controls	-	(\$150,000)	(\$150,000)	-	-	(\$150,000)
Rebudget: City Hall HVAC Control System Replacement	-	\$149,000	\$149,000	-	-	\$149,000
Rebudget: City Hall Network Operations Center Electrical Switch Replacement	-	(\$5,000)	(\$5,000)	-	-	(\$5,000)
Rebudget: City Hall Rotunda Lighting-	-	(\$1,000)	(\$1,000)	-	-	(\$1,000)
Rebudget: Closed Landfill Compliance	-	\$146,000	\$146,000	-	-	\$146,000
Rebudget: Local Sales Tax - PAB/PAC Phase I Elevator Modernization	-	(\$747,000)	(\$747,000)	-	-	(\$747,000)
Rebudget: Council District 3 Traffic Calming Enhancements	-	\$50,000	\$50,000	-	-	\$50,000
Rebudget: PAB/PAC Elevator Modernization	-	(\$2,200,000)	(\$2,200,000)	-	-	(\$2,200,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CAPITAL PROJECT EXPENSES						
Rebudget: Council District 6 Traffic Calming Enhancements	-	\$40,000	\$40,000	-	-	\$40,000
Rebudget: Police Administration Building Boiler and Chiller Replacement	-	(\$3,000)	(\$3,000)	-	-	(\$3,000)
Rebudget: Penitencia Creek Road Crosswalk	-	\$8,000	\$8,000	-	-	\$8,000
Rebudget: Police Administration Building Fencing - Employee Parking Lot Perimeter	-	\$36,000	\$36,000	-	-	\$36,000
Rebudget: Sierra Road Crosswalk	-	\$4,000	\$4,000	-	-	\$4,000
Rebudget: Remote Sensing Equipment for Generators	-	(\$13,000)	(\$13,000)	-	-	(\$13,000)
Rebudget: Thornwood Drive Safety Improvements	-	\$12,000	\$12,000	-	-	\$12,000
Rebudget: San José Municipal Stadium Improvements	-	(\$2,000)	(\$2,000)	-	-	(\$2,000)
Rebudget: Vision Zero: Quick Build Branham Lane Safety Improvements	-	\$6,000	\$6,000	-	-	\$6,000
Rebudget: Police Communications Center Elevator Retrofit	-	(\$176,000)	(\$176,000)	-	-	(\$176,000)
Rebudget: Monterey Road and Valleyhaven Way Traffic Signal Design	-	\$18,000	\$18,000	-	-	\$18,000
Rebudget: South Yard Fence Replacement	-	(\$23,000)	(\$23,000)	-	-	(\$23,000)
Rebudget: Unanticipated/Emergency Maintenance	-	(\$108,000)	(\$108,000)	-	-	(\$108,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CAPITAL PROJECT EXPENSES						
Rebudget: African American Community Service Agency Upgrades -		\$8,000	\$8,000	-	-	\$8,000
Rebudget: Children's Discovery Museum Air Handler Unit Replacement	-	(\$80,000)	(\$80,000)	-	-	(\$80,000)
Rebudget: Children's Discovery Museum Elevator System	-	(\$19,000)	(\$19,000)	-	-	(\$19,000)
Rebudget: Hammer Theatre Center Upgrades	-	(\$4,000)	(\$4,000)	-	-	(\$4,000)
Rebudget: History San José High-Priority Capital Improvements	-	\$9,000	\$9,000	-	-	\$9,000
Rebudget: San José Museum of Art HVAC Controls Upgrades	-	(\$9,000)	(\$9,000)	-	-	(\$9,000)
Rebudget: Tech Interactive Fire Alarm System	-	\$20,000	\$20,000	-	-	\$20,000
Rebudget: The Tech Museum Controls Module Improvements	-	\$129,000	\$129,000	-	-	\$129,000
Rebudget: The Tech Museum Tile Wall Evaluation and Repairs	-	\$308,000	\$308,000	-	-	\$308,000
Rebudget: City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance	-	\$51,000	\$51,000	-	-	\$51,000
Rebudget: Emergency Power Generation for City Facilities	-	(\$16,000)	(\$16,000)	-	-	(\$16,000)
Rebudget: Police Fleet Management System	-	(\$6,000)	(\$6,000)	-	-	(\$6,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CAPITAL PROJECT EXPENSES						
Rebudget: East Side Union High School District Community Wireless Network Project (Maintenance and Operations Costs)/Revenue from Local Agencies -	-	\$66,602	\$66,602	\$1,800,509	-	(\$1,733,907)
Rebudget: Guadalupe River Park Improvements -	-	(\$4,000)	(\$4,000)	-	-	(\$4,000)
Rebudget: Paul Moore Park Improvements -	-	(\$1,000)	(\$1,000)	-	-	(\$1,000)
Rebudget: Almaden Winery Fundraising Feasibility Study -	-	\$50,000	\$50,000	-	-	\$50,000
Rebudget: Alum Rock Park Playground Renovation -	-	\$207,000	\$207,000	-	-	\$207,000
Rebudget: Canoas Park Playground Renovation -	-	\$207,000	\$207,000	-	-	\$207,000
Rebudget: Chris Hotts Park Playground Renovation -	-	\$206,000	\$206,000	-	-	\$206,000
Rebudget: De Anza Park Playground Renovation -	-	\$206,000	\$206,000	-	-	\$206,000
Rebudget: Happy Hollow Park and Zoo Exhibit Improvements -	-	(\$7,000)	(\$7,000)	-	-	(\$7,000)
Rebudget: La Razione Playground Renovation -	-	\$206,000	\$206,000	-	-	\$206,000
Rebudget: Meadowfair Park Master Plan -	-	\$150,000	\$150,000	-	-	\$150,000
Rebudget: Park Furniture Improvements -	-	(\$327,000)	(\$327,000)	-	-	(\$327,000)
Rebudget: Ramac Park Turf Replacement -	-	\$9,000	\$9,000	-	-	\$9,000
Rebudget: Re-Use Facilities Capital Improvements -	-	\$632,000	\$632,000	-	-	\$632,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
CAPITAL PROJECT EXPENSES							
	Rebudget: Vietnamese-American Cultural Center Improvements	-	\$50,000	\$50,000	-	-	\$50,000
	CAPITAL PROJECT EXPENSES TOTAL	-	(\$2,485,398)	(\$2,485,398)	(\$2,399,491)	-	(\$85,907)
EARMARKED RESERVES							
Required Technical-Rebalancing Actions	City Attorney's Office Outside Litigation Reserve	-	\$190,000	\$190,000	-	-	\$190,000
	Emergency Fire Equipment Reserve	-	\$500,000	\$500,000	-	-	\$500,000
	Pest and Turf Management Team Reserve	-	\$1,000,000	\$1,000,000	-	-	\$1,000,000
	Code Enforcement Permit System Reserve	-	\$400,000	\$400,000	-	-	\$400,000
	Solid Waste Code Enforcement Program Reserve	-	\$400,000	\$400,000	-	-	\$400,000
	Measure E - 35% Low Income Reserve	-	(\$1,000,000)	(\$1,000,000)	-	-	(\$1,000,000)
	2022-2023 Future Deficit Reserve	-	\$28,300,000	\$28,300,000	-	-	\$28,300,000
	Budget Stabilization Reserve	-	\$12,937,000	\$12,937,000	-	-	\$12,937,000
	FEMA Non-Reimbursable Expenses Reserve	-	\$10,000,000	\$10,000,000	-	-	\$10,000,000
	Berryessa Flea Market Vendor Business Transition Fund Reserve	-	\$2,500,000	\$2,500,000	-	-	\$2,500,000
	Artificial Turf Capital Replacement Reserve	-	\$200,000	\$200,000	-	-	\$200,000
	2022-2023 San Jose BEST Accountability and Oversight Improvements Reserve	-	\$330,000	\$330,000	-	-	\$330,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

General Fund

Recommended Budget Adjustments and Clean-Up Actions 2021-2022 Annual Report

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/ Equipment	Revenue	Beg Fund Balance		
EARMARKED RESERVES							
Clean-Up Actions	Tech Adjust: Measure E - 45% Extremely Low Income Reserve (Measure E Revenue Reconciliation and Program Administration Savings) -		\$698,129	\$698,129	-	-	\$698,129
	Tech Adjust: Measure E - 35% Low Income Reserve (Measure E Revenue Reconciliation and Program Administration Savings) -		\$542,989	\$542,989	-	-	\$542,989
	Tech Adjust: Measure E - 10% Moderate Income Reserve (Measure E Revenue Reconciliation and Program Administration Savings) -		\$155,140	\$155,140	-	-	\$155,140
	Tech Adjust: Measure E - 10% Homelessness Prevention Reserve (Measure E Revenue Reconciliation and Program Administration Savings) -		\$155,140	\$155,140	-	-	\$155,140
Rebudgets	Tech Adjust: Artificial Turf Capital Replacement Reserve (Reconciliation) -		(\$409,854)	(\$409,854)	-	-	(\$409,854)
	Rebudget: Measure E - 10% Homelessness Prevention Reserve -		\$115,000	\$115,000	-	-	\$115,000
	Rebudget: Measure E - 45% Extremely Low Income Reserve -		(\$115,000)	(\$115,000)	-	-	(\$115,000)
EARMARKED RESERVES							
TOTAL		-	\$56,898,544	\$56,898,544	-	-	\$56,898,544
CONTINGENCY RESERVE							
Required Technical-Rebalancing Actions	Contingency Reserve	-	\$500,000	\$500,000	-	-	\$500,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal		USE		SOURCE		NET COST	
		Personal Services	Non-Personal/ Equipment	Revenue	Beg Fund Balance		
CONTINGENCY RESERVE							
	CONTINGENCY RESERVE TOTAL	-	\$500,000	\$500,000	-	-	\$500,000
TRANSFERS							
Required Technical-Rebalancing Actions	Transfer to the Building Development Fee Program Fund (2017 Flood - Building Permit and Inspection Fee Waivers)	-	\$96	\$96	-	-	\$96
	Transfer to the Integrated Waste Management Fund (RAPID Equipment Reimbursement)	-	\$101,797	\$101,797	-	-	\$101,797
	TRANSFERS TOTAL	-	\$101,893	\$101,893	-	-	\$101,893
REVENUE ADJUSTMENTS							
Required Technical-Rebalancing Actions	Transfers and Reimbursements (CDDD Revenue)	-	-	-	(\$150,000)	-	\$150,000
	Transfers and Reimbursements (Transfer from the Self-Insured Medical Fund)	-	-	-	\$446,842	-	(\$446,842)
Clean-Up Actions	Beginning Fund Balance	-	-	-	-	\$47,992,029	(\$47,992,029)
	Tech Adjust: License and Permits (Cardroom Fee Reconciliation)	-	-	-	(\$467,860)	-	\$467,860
Rebudgets	Rebudget: Revenue from State of California (CalTrans N 1st Street Urban Village)	-	-	-	(\$14,826)	-	\$14,826
	Rebudget: Other Revenue (Commercial Paper)	-	-	-	\$8,400,000	-	(\$8,400,000)
	Rebudget: Other Revenue (Lease Revenue Bonds)	-	-	-	\$15,000,000	-	(\$15,000,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**General Fund
Recommended Budget Adjustments and Clean-Up Actions
2021-2022 Annual Report**

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
REVENUE ADJUSTMENTS							
	Rebudget: Revenue from Federal Government (NCS-X Implementation)	-	-	-	\$144,599	-	(\$144,599)
	Rebudget: Revenue from Local Agencies (Senior Nutrition)	-	-	-	\$164,501	-	(\$164,501)
	REVENUE ADJUSTMENTS TOTAL	-	-	-	\$23,523,256	\$47,992,029	(\$71,515,285)
	TOTAL GENERAL FUND	\$2,774,470	\$71,551,546	\$74,326,016	\$26,333,987	\$47,992,029	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Affordable Housing Impact Fee Fund (452)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	(\$4,773,509)	(\$4,773,509)	-	(\$4,773,509)	-
Fund Balance Reconciliation - Housing Project Reserve	-	-	-	(\$1,697,732)	(\$1,697,732)	-	(\$1,697,732)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$6,471,241)	(\$6,471,241)	\$0	(\$6,471,241)	\$0
Budget Adjustments								
Housing Department								
Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)	-	-	-	-	-	\$7,855,263	-	(\$7,855,263)
Ending Fund Balance Adjustment	-	-	-	\$7,855,263	\$7,855,263	-	-	\$7,855,263
Budget Adjustments Total	\$0	\$0	\$0	\$7,855,263	\$7,855,263	\$7,855,263	\$0	\$0
Affordable Housing Impact Fee Fund (452) TOTAL	\$0	\$0	\$0	\$1,384,022	\$1,384,022	\$7,855,263	(\$6,471,241)	\$0
Airport Customer Facility And Transportation Fee Fund (519)								
Clean-Up and Rebudget Actions								
Airport Department								
Fund Balance Reconciliation - Future Debt Service Reserve	-	-	(\$591,853)	-	(\$591,853)	-	(\$591,853)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$591,853)	\$0	(\$591,853)	\$0	(\$591,853)	\$0
Airport Customer Facility And Transportation Fee Fund (519) TOTAL	\$0	\$0	(\$591,853)	\$0	(\$591,853)	\$0	(\$591,853)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Airport Fiscal Agent Fund (525)								
Clean-Up and Rebudget Actions								
Airport Department Fund Balance Reconciliation - Debt Service Reserve	-	-	(\$11,083,433)	-	(\$11,083,433)	-	(\$11,083,433)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$11,083,433)	\$0	(\$11,083,433)	\$0	(\$11,083,433)	\$0
Airport Fiscal Agent Fund (525) TOTAL	\$0	\$0	(\$11,083,433)	\$0	(\$11,083,433)	\$0	(\$11,083,433)	\$0
Airport Maintenance And Operation Fund (523)								
Clean-Up and Rebudget Actions								
Airport Department Fund Balance Reconciliation - Master Trust Agreement Reserve	-	-	(\$880,038)	-	(\$880,038)	-	(\$880,038)	-
Airport Department Fund Balance Reconciliation - Workers' Compensation Claims Reserve	-	-	(\$205,586)	-	(\$205,586)	-	(\$205,586)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$1,085,624)	\$0	(\$1,085,624)	\$0	(\$1,085,624)	\$0
Airport Maintenance And Operation Fund (523) TOTAL	\$0	\$0	(\$1,085,624)	\$0	(\$1,085,624)	\$0	(\$1,085,624)	\$0
Airport Revenue Fund (521)								
Clean-Up and Rebudget Actions								
Airport Department Fund Balance Reconciliation - Airline Agreement Reserve	-	-	\$21,794,233	-	\$21,794,233	-	\$21,794,233	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$21,794,233	\$0	\$21,794,233	\$0	\$21,794,233	\$0
Budget Adjustments								

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Airport Department								
Airline Agreement Reserve/Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)	-	-	\$931,776	-	\$931,776	\$931,776	-	-
Revenue from Federal Government (American Rescue Plan Act)	-	-	-	-	-	\$34,000,000	-	(\$34,000,000)
Fees, Rates, and Charges (Concessions Rent Relief)	-	-	-	-	-	(\$6,600,000)	-	\$6,600,000
Airline Agreement Reserve (American Rescue Plan Act)	-	-	\$27,400,000	-	\$27,400,000	-	-	\$27,400,000
Budget Adjustments Total	\$0	\$0	\$28,331,776	\$0	\$28,331,776	\$28,331,776	\$0	\$0
Airport Revenue Fund (521) TOTAL	\$0	\$0	\$50,126,009	\$0	\$50,126,009	\$28,331,776	\$21,794,233	\$0
Airport Surplus Revenue Fund (524)								
Clean-Up and Rebudget Actions								
Airport Department Fund Balance Reconciliation - Airline Agreement Reserve	-	-	(\$110,738)	-	(\$110,738)	-	(\$110,738)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$110,738)	\$0	(\$110,738)	\$0	(\$110,738)	\$0
Budget Adjustments								
Airport Department								
Airline Agreement Reserve/Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)	-	-	\$1,928	-	\$1,928	\$1,928	-	-
Budget Adjustments Total	\$0	\$0	\$1,928	\$0	\$1,928	\$1,928	\$0	\$0
Airport Surplus Revenue Fund (524) TOTAL	\$0	\$0	(\$108,810)	\$0	(\$108,810)	\$1,928	(\$110,738)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
American Rescue Plan Fund (402)								
Clean-Up and Rebudget Actions								
Finance Department	Ending Fund Balance Adjustment:							
	Rebudgets							
	-	-	-	(\$1,107,288)	(\$1,107,288)	-	-	(\$1,107,288)
	Fund Balance Reconciliation							
	-	-	-	(\$83,133)	(\$83,133)	-	(\$83,133)	-
	Rebudget: Revenue from Federal Government (American Rescue Plan Act)							
	-	-	-	\$1,323,671	\$1,323,671	\$1,323,671	-	-
Parks, Recreation and Neighborhood Services Department	Rebudget: Resident Relief - Food and Necessities Distribution							
	-	-	\$1,107,288	-	\$1,107,288	-	-	\$1,107,288
	Clean-Up and Rebudget Actions TOTAL							
	\$0	\$0	\$1,107,288	\$133,250	\$1,240,538	\$1,323,671	(\$83,133)	\$0
Budget Adjustments								
Finance Department	Revenue from the Federal Government (American Rescue Plan Act)							
	-	-	-	-	-	(\$3,666,517)	-	\$3,666,517
Parks, Recreation and Neighborhood Services Department	Resident Relief - Food and Necessities Distribution							
	-	-	(\$3,618,517)	-	(\$3,618,517)	-	-	(\$3,618,517)
	Small Business, Non-Profits, and Arts - San José Abierto							
	-	-	(\$48,000)	-	(\$48,000)	-	-	(\$48,000)
	Budget Adjustments Total							
	\$0	\$0	(\$3,666,517)	\$0	(\$3,666,517)	(\$3,666,517)	\$0	\$0
	American Rescue Plan Fund (402) TOTAL							
	\$0	\$0	(\$2,559,229)	\$133,250	(\$2,425,979)	(\$2,342,846)	(\$83,133)	\$0

Benefits Funds - Benefit Fund (160)

Clean-Up and Rebudget Actions

Human Resources Department	Fund Balance Reconciliation							
	-	-	-	(\$334,172)	(\$334,172)	-	(\$334,172)	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Wellness Program	-	-	\$83,600	(\$83,600)	-	-	-	-
Tech Adjust: Non- Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$27,318	-	-	\$27,318	-	-	\$27,318
Tech Adjust: Personal Services (Reallocation to Non- Personal/Equipment for Temporary Staffing)	(\$27,318)	-	-	-	(\$27,318)	-	-	(\$27,318)
Clean-Up and Rebudget Actions TOTAL	(\$27,318)	\$27,318	\$83,600	(\$417,772)	(\$334,172)	\$0	(\$334,172)	\$0
Benefits Funds - Benefit Fund (160) TOTAL	(\$27,318)	\$27,318	\$83,600	(\$417,772)	(\$334,172)	\$0	(\$334,172)	\$0
Benefits Funds - Dental Insurance Fund (155)								
Clean-Up and Rebudget Actions								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	\$34,171	\$34,171	-	\$34,171	-
Tech Adjust: Non- Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$6,828	-	-	\$6,828	-	-	\$6,828
Tech Adjust: Personal Services (Reallocation to Non- Personal/Equipment for Temporary Staffing)	(\$6,828)	-	-	-	(\$6,828)	-	-	(\$6,828)
Clean-Up and Rebudget Actions TOTAL	(\$6,828)	\$6,828	\$0	\$34,171	\$34,171	\$0	\$34,171	\$0
Benefits Funds - Dental Insurance Fund (155) TOTAL	(\$6,828)	\$6,828	\$0	\$34,171	\$34,171	\$0	\$34,171	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Benefits Funds - Life Insurance Fund (156)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Fund Balance Reconciliation	-	-	-	\$14,207	\$14,207	-	\$14,207	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$14,207	\$14,207	\$0	\$14,207	\$0
Benefits Funds - Life Insurance Fund (156) TOTAL		\$0	\$0	\$0	\$14,207	\$14,207	\$0	\$14,207	\$0
Benefits Funds - Self-Insured Medical Fund (158)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Fund Balance Reconciliation	-	-	-	\$342,534	\$342,534	-	\$342,534	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$342,534	\$342,534	\$0	\$342,534	\$0
Budget Adjustments									
Human Resources									
Department	Transfer to the General Fund (Close Out of Self-Insured Medical Fund)	-	-	\$446,842	-	\$446,842	-	-	\$446,842
Ending Fund Balance Adjustment		-	-	-	(\$446,842)	(\$446,842)	-	-	(\$446,842)
Budget Adjustments Total		\$0	\$0	\$446,842	(\$446,842)	\$0	\$0	\$0	\$0
Benefits Funds - Self-Insured Medical Fund (158) TOTAL		\$0	\$0	\$446,842	(\$104,308)	\$342,534	\$0	\$342,534	\$0
Benefits Funds - Unemployment Insurance Fund (157)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Fund Balance Reconciliation	-	-	-	\$491,258	\$491,258	-	\$491,258	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Tech Adjust: Non- Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$34,146	-	-	\$34,146	-	-	\$34,146	
Tech Adjust: Personal Services (Reallocation to Non- Personal/Equipment for Temporary Staffing)	(\$34,146)	-	-	-	(\$34,146)	-	-	(\$34,146)	
Clean-Up and Rebudget Actions TOTAL	(\$34,146)	\$34,146	\$0	\$491,258	\$491,258	\$0	\$491,258	\$0	
Benefits Funds - Unemployment Insurance Fund (157) TOTAL	(\$34,146)	\$34,146	\$0	\$491,258	\$491,258	\$0	\$491,258	\$0	
Building Development Fee Program Fund (237)									
Clean-Up and Rebudget Actions									
Planning, Building and Code Enforcement Department	Fund Balance Reconciliation	-	-	-	\$5,183,869	\$5,183,869	-	\$5,183,869	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$5,183,869	\$5,183,869	\$0	\$5,183,869	\$0
Budget Adjustments									
Planning, Building and Code Enforcement Department	Transfers and Reimbursements/Ending Fund Balance Adjustment (Transfer from the General Fund)	-	-	-	\$96	\$96	\$96	-	-
Budget Adjustments Total		\$0	\$0	\$0	\$96	\$96	\$96	\$0	\$0
Building Development Fee Program Fund (237) TOTAL		\$0	\$0	\$0	\$5,183,965	\$5,183,965	\$96	\$5,183,869	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Business Improvement District Fund (351)								
Budget Adjustments								
City Manager - Office of Economic Development and Cultural Affairs								
Downtown BID Reserve	-	-	(\$221,660)	-	(\$221,660)	-	-	(\$221,660)
Hotel BID Reserve	-	-	(\$219,481)	-	(\$219,481)	-	-	(\$219,481)
Japantown BID Reserve	-	-	(\$9,243)	-	(\$9,243)	-	-	(\$9,243)
Downtown Business Improvement District	-	-	\$221,660	-	\$221,660	-	-	\$221,660
Hotel Business Improvement District	-	-	\$219,481	-	\$219,481	-	-	\$219,481
Japantown Business Improvement District	-	-	\$9,243	-	\$9,243	-	-	\$9,243
Budget Adjustments Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Improvement District Fund (351) TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Reserve Fund (002)								
Clean-Up and Rebudget Actions								
Finance Department								
Fund Balance Reconciliation	-	-	-	\$14	\$14	-	\$14	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$14	\$14	\$0	\$14	\$0
Cash Reserve Fund (002) TOTAL	\$0	\$0	\$0	\$14	\$14	\$0	\$14	\$0
City Hall Debt Service Fund (210)								
Clean-Up and Rebudget Actions								
Finance Department								
Fund Balance Reconciliation	-	-	-	\$306,102	\$306,102	-	-	\$306,102

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Office of the City Manager								
Fund Balance Reconciliation	-	-	-	-	-	-	\$306,102	(\$306,102)
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	\$306,102	\$306,102	\$0	\$306,102	\$0
Budget Adjustments								
Office of the City Manager								
Transfers and Reimbursements (Transfer from Public Works Program Support Fund)	-	-	-	-	-	(\$35,000)	-	\$35,000
Finance Department								
Ending Fund Balance Adjustment	-	-	-	(\$35,000)	(\$35,000)	-	-	(\$35,000)
Budget Adjustments Total	\$0	\$0	\$0	(\$35,000)	(\$35,000)	(\$35,000)	\$0	\$0
City Hall Debt Service Fund (210)								
TOTAL	\$0	\$0	\$0	\$271,102	\$271,102	(\$35,000)	\$306,102	\$0
Citywide Planning Fee Program Fund (239)								
Clean-Up and Rebudget Actions								
Planning, Building and Code Enforcement Department								
Fund Balance Reconciliation	-	-	-	\$242,229	\$242,229	-	\$242,229	-
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	\$242,229	\$242,229	\$0	\$242,229	\$0
Citywide Planning Fee Program Fund (239) TOTAL	\$0	\$0	\$0	\$242,229	\$242,229	\$0	\$242,229	\$0
Community Development Block Grant Fund (441)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	\$12,201,669	\$12,201,669	-	\$12,201,669	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: CARES Act/Revenue from Federal Government (CARES Act)	-	-	(\$2,096,339)	(\$10,745,586)	(\$12,841,925)	(\$12,841,925)	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$2,096,339)	\$1,456,083	(\$640,256)	(\$12,841,925)	\$12,201,669	\$0
Community Development Block Grant Fund (441) TOTAL	\$0	\$0	(\$2,096,339)	\$1,456,083	(\$640,256)	(\$12,841,925)	\$12,201,669	\$0
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)								
Clean-Up and Rebudget Actions								
Transportation Department	-	-	-	\$135	\$135	-	\$135	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$135	\$135	\$0	\$135	\$0
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371) TOTAL	\$0	\$0	\$0	\$135	\$135	\$0	\$135	\$0
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)								
Clean-Up and Rebudget Actions								
Transportation Department	-	-	-	\$101,972	\$101,972	-	\$101,972	-
Rebudget: Special District Landscape Restorations	-	\$150,000	-	(\$150,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$150,000	\$0	(\$48,028)	\$101,972	\$0	\$101,972	\$0
Comm Fac Dist No. 2 (Aborn- Murillo) and No. 3 (Silverland- Capriana) Fund (369) TOTAL	\$0	\$150,000	\$0	(\$48,028)	\$101,972	\$0	\$101,972	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Community Facilities District No. 8 (Communications Hill) Fund (373)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$53,049	\$53,049	-	\$53,049	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$53,049	\$53,049	\$0	\$53,049	\$0
	Community Facilities District No. 8 (Communications Hill) Fund (373) TOTAL	\$0	\$0	\$0	\$53,049	\$53,049	\$0	\$53,049	\$0
Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$612	\$612	-	\$612	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$612	\$612	\$0	\$612	\$0
	Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374) TOTAL	\$0	\$0	\$0	\$612	\$612	\$0	\$612	\$0
Community Facilities District No. 12 (Basking Ridge) Fund (376)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$117,618)	(\$117,618)	-	(\$117,618)	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$117,618)	(\$117,618)	\$0	(\$117,618)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Community Facilities District No. 12 (Basking Ridge) Fund (376)								
TOTAL	\$0	\$0	\$0	(\$117,618)	(\$117,618)	\$0	(\$117,618)	\$0
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$20,016	\$20,016	-	\$20,016	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$20,016	\$20,016	\$0	\$20,016	\$0
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)								
TOTAL	\$0	\$0	\$0	\$20,016	\$20,016	\$0	\$20,016	\$0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$167,113	\$167,113	-	\$167,113	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$167,113	\$167,113	\$0	\$167,113	\$0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)								
TOTAL	\$0	\$0	\$0	\$167,113	\$167,113	\$0	\$167,113	\$0
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	(\$26,205)	(\$26,205)	-	(\$26,205)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$26,205)	(\$26,205)	\$0	(\$26,205)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)								
TOTAL	\$0	\$0	\$0	(\$26,205)	(\$26,205)	\$0	(\$26,205)	\$0
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$47,693	\$47,693	-	\$47,693	-
Rebudget: Special District Landscape Improvements and Fence Installation	-	\$240,000	-	(\$240,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$240,000	\$0	(\$192,307)	\$47,693	\$0	\$47,693	\$0
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344) TOTAL	\$0	\$240,000	\$0	(\$192,307)	\$47,693	\$0	\$47,693	\$0
Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$15,918	\$15,918	-	\$15,918	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$15,918	\$15,918	\$0	\$15,918	\$0
Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496) TOTAL	\$0	\$0	\$0	\$15,918	\$15,918	\$0	\$15,918	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Community Facilities Revenue Fund (422)								
Clean-Up and Rebudget Actions								
Finance Department								
Fund Balance Reconciliation	-	-	-	\$18,754	\$18,754	-	\$18,754	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$18,754	\$18,754	\$0	\$18,754	\$0
Community Facilities Revenue Fund (422) TOTAL	\$0	\$0	\$0	\$18,754	\$18,754	\$0	\$18,754	\$0
Convention and Cultural Affairs Fund (536)								
Clean-Up and Rebudget Actions								
City Manager - Office of Economic Development and Cultural Affairs								
Fund Balance Reconciliation	-	-	-	\$629,223	\$629,223	-	\$629,223	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$629,223	\$629,223	\$0	\$629,223	\$0
Budget Adjustments								
City Manager - Office of Economic Development and Cultural Affairs								
Ending Fund Balance Adjustment	-	-	-	(\$161,235)	(\$161,235)	-	-	(\$161,235)
Transfers and Reimbursements (Transfer from the Transient Occupancy Tax Fund)	-	-	-	-	-	(\$117,235)	-	\$117,235
Finance Department								
Insurance Expenses	-	-	\$44,000	-	\$44,000	-	-	\$44,000
Budget Adjustments Total	\$0	\$0	\$44,000	(\$161,235)	(\$117,235)	(\$117,235)	\$0	\$0
Convention and Cultural Affairs Fund (536) TOTAL	\$0	\$0	\$44,000	\$467,988	\$511,988	(\$117,235)	\$629,223	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Convention Center Facilities District Revenue Fund (791)								
Clean-Up and Rebudget Actions								
Finance Department								
Fund Balance Reconciliation	-	-	-	\$355,669	\$355,669	-	\$355,669	-
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	\$355,669	\$355,669	\$0	\$355,669	\$0
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Convention Center Facilities District Revenue Fund (791)								
TOTAL	\$0	\$0	\$0	\$355,669	\$355,669	\$0	\$355,669	\$0
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Coronavirus Relief Fund (401)								
Clean-Up and Rebudget Actions								
Finance Department								
Ending Fund Balance Adjustment:								
Rebudgets	-	-	-	\$2,752,858	\$2,752,858	-	-	\$2,752,858
Fund Balance Reconciliation	-	-	-	\$865,659	\$865,659	-	\$865,659	-
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Rebudget: Revenue from Federal Government (CARES Act)	-	-	-	-	-	(\$7,039,142)	-	\$7,039,142
Office of the City Manager								
Rebudget: Consulting and Planning Support	-	-	\$108,000	-	\$108,000	-	-	\$108,000
Rebudget: Facilities Improvements	-	-	\$100,000	-	\$100,000	-	-	\$100,000
Rebudget: Testing, Tracing and Isolation	-	-	(\$10,000,000)	-	(\$10,000,000)	-	-	(\$10,000,000)
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	(\$9,792,000)	\$3,618,517	(\$6,173,483)	(\$7,039,142)	\$865,659	\$0
<hr/>								
Budget Adjustments								
Finance Department								
Ending Fund Balance Adjustment	-	-	-	(\$3,618,517)	(\$3,618,517)	-	-	(\$3,618,517)
Parks, Recreation and Neighborhood Services Department								
Resident Relief - Food and Necessities Distribution	-	-	\$3,618,517	-	\$3,618,517	-	-	\$3,618,517

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Budget Adjustments Total	\$0	\$0	\$3,618,517	(\$3,618,517)	\$0	\$0	\$0	\$0	
Coronavirus Relief Fund (401) TOTAL	\$0	\$0	(\$6,173,483)	\$0	(\$6,173,483)	(\$7,039,142)	\$865,659	\$0	
Downtown Property And Business Improvement District Fund (302)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$70,694)	(\$70,694)	-	(\$70,694)	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$70,694)	(\$70,694)	\$0	(\$70,694)	\$0
	Downtown Property And Business Improvement District Fund (302) TOTAL	\$0	\$0	\$0	(\$70,694)	(\$70,694)	\$0	(\$70,694)	\$0
Economic Development Administration Loan Fund (444)									
Clean-Up and Rebudget Actions									
Housing Department	Fund Balance Reconciliation	-	-	-	(\$24)	(\$24)	-	(\$24)	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$24)	(\$24)	\$0	(\$24)	\$0
	Economic Development Administration Loan Fund (444) TOTAL	\$0	\$0	\$0	(\$24)	(\$24)	\$0	(\$24)	\$0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)									
Clean-Up and Rebudget Actions									
Police Department	Fund Balance Reconciliation	-	-	-	\$69,818	\$69,818	-	\$69,818	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: 2017 Justice Assistance Grant/Revenue from Federal Government	-	-	-	(\$69,250)	(\$69,250)	(\$69,250)	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$568	\$568	(\$69,250)	\$69,818	\$0
Budget Adjustments								
Police Department 2017 Justice Assistance Grant	-	-	\$568	-	\$568	-	-	\$568
Ending Fund Balance Adjustment	-	-	-	(\$568)	(\$568)	-	-	(\$568)
Budget Adjustments Total	\$0	\$0	\$568	(\$568)	\$0	\$0	\$0	\$0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) TOTAL	\$0	\$0	\$568	\$0	\$568	(\$69,250)	\$69,818	\$0
Emergency Reserve Fund (406)								
Clean-Up and Rebudget Actions								
Finance Department Ending Fund Balance Adjustment: Rebudgets	-	-	-	(\$18,073,953)	(\$18,073,953)	-	-	(\$18,073,953)
Fund Balance Reconciliation	-	-	-	(\$35,026,286)	(\$35,026,286)	-	(\$35,026,286)	-
Rebudget: Revenue from Federal Government (Emergency Rental Assistance)	-	-	-	\$30,379,895	\$30,379,895	\$30,379,895	-	-
Rebudget: Revenue from Federal Government (Federal Emergency Management Agency)	-	-	-	\$25,527,000	\$25,527,000	\$25,527,000	-	-
Housing Department Tech Adjust: Emergency Rental Assistance (Reallocation from City Manager's Office)	-	-	\$18,073,953	-	\$18,073,953	-	-	\$18,073,953
Office of the City Manager Rebudget: Emergency Rental Assistance	-	-	\$18,073,953	-	\$18,073,953	-	-	\$18,073,953

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Tech Adjust: Emergency Rental Assistance (Reallocation to Housing Department)	-	-	(\$18,073,953)	-	(\$18,073,953)	-	-	(\$18,073,953)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$18,073,953	\$2,806,656	\$20,880,609	\$55,906,895	(\$35,026,286)	\$0
Emergency Reserve Fund (406) TOTAL	\$0	\$0	\$18,073,953	\$2,806,656	\$20,880,609	\$55,906,895	(\$35,026,286)	\$0
Federal Drug Forfeiture Fund (419)								
Clean-Up and Rebudget Actions								
Police Department Fund Balance Reconciliation	-	-	-	\$355	\$355	-	\$355	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$355	\$355	\$0	\$355	\$0
Budget Adjustments								
Police Department Transfer to Federal Drug Forfeiture Fund (From Department of Justice Fund)	-	-	\$115,000	-	\$115,000	-	-	\$115,000
Transfer to Federal Drug Forfeiture Fund (From Department of the Treasury Fund)	-	-	\$100,000	-	\$100,000	-	-	\$100,000
Transfers and Reimbursements (Transfers from Department of Justice Fund and Department of the Treasury Fund)	-	-	-	-	-	\$215,000	-	(\$215,000)
Budget Adjustments Total	\$0	\$0	\$215,000	\$0	\$215,000	\$215,000	\$0	\$0
Federal Drug Forfeiture Fund (419) TOTAL	\$0	\$0	\$215,000	\$355	\$215,355	\$215,000	\$355	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Fire Development Fee Program Fund (240)								
Clean-Up and Rebudget Actions								
Fire Department								
Fund Balance Reconciliation	-	-	-	\$1,354,376	\$1,354,376	-	\$1,354,376	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$1,354,376	\$1,354,376	\$0	\$1,354,376	\$0
Fire Development Fee Program Fund (240) TOTAL	\$0	\$0	\$0	\$1,354,376	\$1,354,376	\$0	\$1,354,376	\$0
General Purpose Parking Fund (533)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$1,388,454	\$1,388,454	-	\$1,388,454	-
Rebudget: Vehicle Abatement Mobile Device Terminals	-	\$200,000	-	(\$200,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$200,000	\$0	\$1,188,454	\$1,388,454	\$0	\$1,388,454	\$0
General Purpose Parking Fund (533) TOTAL	\$0	\$200,000	\$0	\$1,188,454	\$1,388,454	\$0	\$1,388,454	\$0
Gift Trust Fund (139)								
Clean-Up and Rebudget Actions								
Airport Department								
Rebudget: Airport Military Lounge	-	-	\$602	-	\$602	-	-	\$602
Rebudget: Art Work	-	-	\$9,667	-	\$9,667	-	-	\$9,667
Rebudget: Heliport System Plan Study	-	-	\$31,246	-	\$31,246	-	-	\$31,246
Rebudget: Kidport	-	-	\$4	-	\$4	-	-	\$4

City Manager - Office
of Economic

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Art + Technology Program	-	-	\$10,064	-	\$10,064	-	-	\$10,064
Rebudget: Arts and Education Week	-	-	\$6,637	-	\$6,637	-	-	\$6,637
Rebudget: Cultural Performance	-	-	\$146	-	\$146	-	-	\$146
Rebudget: Dando Artwork Maintenance	-	-	\$25,474	-	\$25,474	-	-	\$25,474
Rebudget: Incubation Office Project	-	-	\$7,491	-	\$7,491	-	-	\$7,491
Rebudget: OED Miscellaneous Gifts	-	-	\$323	-	\$323	-	-	\$323
Rebudget: Sponsorship Gifts	-	-	\$190	-	\$190	-	-	\$190
Finance Department								
Ending Fund Balance Adjustment: Rebudgets	-	-	-	(\$2,640,473)	(\$2,640,473)	-	-	(\$2,640,473)
Fund Balance Reconciliation	-	-	-	\$2,660,479	\$2,660,479	-	\$2,660,479	-
Fire Department								
Rebudget: Public Education Program	-	-	\$22,865	-	\$22,865	-	-	\$22,865
Independent Police Auditor's Office								
Rebudget: IPA's Teen Leadership Council	-	-	\$2,307	-	\$2,307	-	-	\$2,307
Library Department								
Rebudget: Books for Little Hands	-	-	\$6,297	-	\$6,297	-	-	\$6,297
Rebudget: Calabazas Branch Library	-	-	\$2,094	-	\$2,094	-	-	\$2,094
Rebudget: Garbage Stickers	-	-	\$13,793	-	\$13,793	-	-	\$13,793
Rebudget: Library - General Gifts	-	-	\$328,127	-	\$328,127	-	-	\$328,127
Rebudget: Library Literacy Project	-	-	\$46,121	-	\$46,121	-	-	\$46,121
Office of the City Clerk								
Rebudget: Annual Council District 1 Festival in the Park	-	-	\$1,729	-	\$1,729	-	-	\$1,729
Rebudget: Community Resource Fair	-	-	\$24,142	-	\$24,142	-	-	\$24,142
Rebudget: Go Girl Go BAWSI	-	-	\$1,039	-	\$1,039	-	-	\$1,039

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Office of the City Manager								
Rebudget: Mayor's College Motivation Program	-	-	\$22,233	-	\$22,233	-	-	\$22,233
Parks, Recreation and Neighborhood Services Department								
Rebudget: Facebook	-	-	\$318,293	-	\$318,293	-	-	\$318,293
Rebudget: Almaden Lake Park	-	-	\$7,083	-	\$7,083	-	-	\$7,083
Rebudget: Almaden Lake Park Rangers	-	-	\$736	-	\$736	-	-	\$736
Rebudget: Almaden Winery Improvements	-	-	\$33,780	-	\$33,780	-	-	\$33,780
Rebudget: Alum Rock Park	-	-	\$3,846	-	\$3,846	-	-	\$3,846
Rebudget: Alviso Community Center	-	-	\$23,708	-	\$23,708	-	-	\$23,708
Rebudget: Alviso Recreation and Teen Program	-	-	\$1,973	-	\$1,973	-	-	\$1,973
Rebudget: Animal Adoption	-	-	\$4,663	-	\$4,663	-	-	\$4,663
Rebudget: Berryessa Center Art Project	-	-	\$2,660	-	\$2,660	-	-	\$2,660
Rebudget: Calabazas BMX Park	-	-	\$3,191	-	\$3,191	-	-	\$3,191
Rebudget: Camden Community Center Miscellaneous Gifts	-	-	\$4,861	-	\$4,861	-	-	\$4,861
Rebudget: Castro School Landscaping	-	-	\$7,666	-	\$7,666	-	-	\$7,666
Rebudget: Combined Gifts	-	-	\$7,317	-	\$7,317	-	-	\$7,317
Rebudget: Community Cultural Council	-	-	\$4,109	-	\$4,109	-	-	\$4,109
Rebudget: Emma Prusch Farm Park	-	-	\$11,100	-	\$11,100	-	-	\$11,100
Rebudget: Family Camp Camperships	-	-	\$6,128	-	\$6,128	-	-	\$6,128

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Friends of Paul Moore Park	-	-	\$4,423	-	\$4,423	-	-	\$4,423
Rebudget: Grace Community Center	-	-	\$43,291	-	\$43,291	-	-	\$43,291
Rebudget: Gullo Park Turf Irrigation	-	-	\$20,040	-	\$20,040	-	-	\$20,040
Rebudget: J. Ward Memorial Scholarship	-	-	\$293	-	\$293	-	-	\$293
Rebudget: Japanese Friendship Garden	-	-	\$16,601	-	\$16,601	-	-	\$16,601
Rebudget: Lake Cunningham Skate Park	-	-	\$7,385	-	\$7,385	-	-	\$7,385
Rebudget: Leland High School Tennis	-	-	\$2,676	-	\$2,676	-	-	\$2,676
Rebudget: Mayor's Gang Prevention Task Force Clean Slate Program	-	-	\$19,178	-	\$19,178	-	-	\$19,178
Rebudget: Miscellaneous Gifts Under \$1,000	-	-	\$20,028	-	\$20,028	-	-	\$20,028
Rebudget: Mise and Starbird Gift	-	-	\$51,556	-	\$51,556	-	-	\$51,556
Rebudget: N. San Pedro Area Park Maintenance	-	-	\$99,877	-	\$99,877	-	-	\$99,877
Rebudget: Newhall Park Maintenance	-	-	\$8,290	-	\$8,290	-	-	\$8,290
Rebudget: Nicolas Prusch Swimming	-	-	(\$68,345)	-	(\$68,345)	-	-	(\$68,345)
Rebudget: O'Donnell's Gardens Park	-	-	\$5,939	-	\$5,939	-	-	\$5,939
Rebudget: River Oaks Park Maintenance	-	-	(\$208,827)	-	(\$208,827)	-	-	(\$208,827)
Rebudget: Roosevelt Roller Hockey Rink Legacy Project 2018-2019	-	-	\$86,642	-	\$86,642	-	-	\$86,642

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: RP & CS General Gifts over \$1,000	-	-	\$57,811	-	\$57,811	-	-	\$57,811
Rebudget: Safe Summer Initiative	-	-	\$25,313	-	\$25,313	-	-	\$25,313
Rebudget: San Jose Vietnam War Memorial	-	-	\$13,135	-	\$13,135	-	-	\$13,135
Rebudget: Seven Trees Music Wish Book	-	-	\$35,899	-	\$35,899	-	-	\$35,899
Rebudget: St. James Park Landscaping	-	-	\$9,034	-	\$9,034	-	-	\$9,034
Rebudget: Vista Montana Park Maintenance	-	-	\$143,114	-	\$143,114	-	-	\$143,114
Rebudget: Willow Glen Founders Day	-	-	\$766	-	\$766	-	-	\$766
Rebudget: Youth Commission	-	-	\$19,654	-	\$19,654	-	-	\$19,654
Rebudget: Overfelt Gardens	-	-	\$1,773	-	\$1,773	-	-	\$1,773
Police Department								
Rebudget: Anti-Theft Car Campaign	-	-	\$5	-	\$5	-	-	\$5
Rebudget: CADPE - Drug Education	-	-	\$111	-	\$111	-	-	\$111
Rebudget: Canine Unit	-	-	\$2,525	-	\$2,525	-	-	\$2,525
Rebudget: Child Safety Seats	-	-	\$278	-	\$278	-	-	\$278
Rebudget: Children's Interview Center	-	-	\$31,207	-	\$31,207	-	-	\$31,207
Rebudget: Communications Facility Fitness Center	-	-	\$187	-	\$187	-	-	\$187
Rebudget: Community Services Program	-	-	\$3,204	-	\$3,204	-	-	\$3,204
Rebudget: Crime Prevention Committee	-	-	\$927	-	\$927	-	-	\$927
Rebudget: Cybercadet Program	-	-	\$408	-	\$408	-	-	\$408
Rebudget: G.E.A.R. Program	-	-	\$38,147	-	\$38,147	-	-	\$38,147

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Internet Crimes Against Children	-	-	\$225	-	\$225	-	-	\$225
Rebudget: Investigative Enhancement	-	-	\$855	-	\$855	-	-	\$855
Rebudget: Major Awards Banquet	-	-	\$95	-	\$95	-	-	\$95
Rebudget: Mayor's Safe Families	-	-	\$123	-	\$123	-	-	\$123
Rebudget: Miscellaneous Gifts Under \$5,000	-	-	\$27,699	-	\$27,699	-	-	\$27,699
Rebudget: Police & School Partnership Program	-	-	\$795	-	\$795	-	-	\$795
Rebudget: Police Educational Robot	-	-	\$188	-	\$188	-	-	\$188
Rebudget: Police Mounted Unit	-	-	\$18,703	-	\$18,703	-	-	\$18,703
Rebudget: Police Reserves Unit	-	-	\$11,812	-	\$11,812	-	-	\$11,812
Rebudget: Robbery Secret Witness	-	-	\$1,361	-	\$1,361	-	-	\$1,361
Rebudget: S.A.V.E. Program	-	-	\$38,410	-	\$38,410	-	-	\$38,410
Rebudget: Scholastic Crime Stoppers	-	-	\$420	-	\$420	-	-	\$420
Rebudget: School Safety Gifts	-	-	\$78	-	\$78	-	-	\$78
Rebudget: Trauma Kits	-	-	\$159	-	\$159	-	-	\$159
Rebudget: Volunteer Program	-	-	\$57	-	\$57	-	-	\$57
Public Works Department								
Rebudget: Animal Services Donations	-	-	\$973,391	-	\$973,391	-	-	\$973,391
Rebudget: Kinjo Gardens	-	-	\$6,005	-	\$6,005	-	-	\$6,005
Transportation Department								
Rebudget: Spay / Neuter Program	-	-	\$59,924	-	\$59,924	-	-	\$59,924
Rebudget: Coleman / Guadalupe Traffic Study and Mitigation	-	-	\$16,407	-	\$16,407	-	-	\$16,407
Rebudget: Our City Forest	-	-	\$208	-	\$208	-	-	\$208

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Pedestrian Enhancements - International Circle and Hospital Parkway	-	-	\$2,382	-	\$2,382	-	-	\$2,382
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$2,640,473	\$20,006	\$2,660,479	\$0	\$2,660,479	\$0
Budget Adjustments								
Finance Department								
Ending Fund Balance Adjustment	-	-	-	(\$20,006)	(\$20,006)	-	-	(\$20,006)
Transportation Department								
Enhanced Crosswalk at Hedding and Elm Streets	-	-	\$20,006	-	\$20,006	-	-	\$20,006
Budget Adjustments Total	\$0	\$0	\$20,006	(\$20,006)	\$0	\$0	\$0	\$0
Gift Trust Fund (139) TOTAL	\$0	\$0	\$2,660,479	\$0	\$2,660,479	\$0	\$2,660,479	\$0
Home Investment Partnership Program Trust Fund (445)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	(\$2,347,788)	(\$2,347,788)	-	(\$2,347,788)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$2,347,788)	(\$2,347,788)	\$0	(\$2,347,788)	\$0
Home Investment Partnership Program Trust Fund (445) TOTAL	\$0	\$0	\$0	(\$2,347,788)	(\$2,347,788)	\$0	(\$2,347,788)	\$0
Homeless Housing, Assistance, and Prevention Fund (454)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	(\$12,594,432)	(\$12,594,432)	-	(\$12,594,432)	-
Rebudget: Revenue from State of California (Homeless Housing Assistance and Prevention Grant)	-	-	-	\$11,266,278	\$11,266,278	\$11,266,278	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	(\$1,328,154)	(\$1,328,154)	\$11,266,278	(\$12,594,432)	\$0
Budget Adjustments								
Housing Department	Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)							
	-	-	-	-	-	\$7,639,913	-	(\$7,639,913)
	-	-	-	\$2,896,948	\$2,896,948	-	-	\$2,896,948
	-	-	\$3,085,240	-	\$3,085,240	-	-	\$3,085,240
	-	-	\$1,657,725	-	\$1,657,725	-	-	\$1,657,725
Budget Adjustments Total	\$0	\$0	\$4,742,965	\$2,896,948	\$7,639,913	\$7,639,913	\$0	\$0
Homeless Housing, Assistance, and Prevention Fund (454)								
TOTAL	\$0	\$0	\$4,742,965	\$1,568,794	\$6,311,759	\$18,906,191	(\$12,594,432)	\$0
Housing Trust Fund (440)								
Clean-Up and Rebudget Actions								
Housing Department	Fund Balance Reconciliation							
	-	-	-	\$865,469	\$865,469	-	\$865,469	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$865,469	\$865,469	\$0	\$865,469	\$0
Housing Trust Fund (440) TOTAL	\$0	\$0	\$0	\$865,469	\$865,469	\$0	\$865,469	\$0
Ice Centre Revenue Fund (432)								
Clean-Up and Rebudget Actions								
Finance Department	Fund Balance Reconciliation							
	-	-	-	(\$905,974)	(\$905,974)	-	(\$905,974)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$905,974)	(\$905,974)	\$0	(\$905,974)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ice Centre Revenue Fund (432)								
TOTAL	\$0	\$0	\$0	(\$905,974)	(\$905,974)	\$0	(\$905,974)	\$0
Inclusionary Fee Fund (451)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	\$5,457,984	\$5,457,984	-	\$5,457,984	-
Fund Balance Reconciliation - Housing Project Reserve	-	-	-	(\$5,100,000)	(\$5,100,000)	-	(\$5,100,000)	-
Rebudget: Non- Personal/Equipment (Inclusionary Consultant Services)	-	\$150,000	-	(\$150,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$150,000	\$0	\$207,984	\$357,984	\$0	\$357,984	\$0
Inclusionary Fee Fund (451) TOTAL	\$0	\$150,000	\$0	\$207,984	\$357,984	\$0	\$357,984	\$0
Integrated Waste Management Fund (423)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	(\$4,453,752)	(\$4,453,752)	-	(\$4,453,752)	-
Rebudget: Other Revenue (Surplus Property Sale)	-	-	-	\$3,817,000	\$3,817,000	\$3,817,000	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$636,752)	(\$636,752)	\$3,817,000	(\$4,453,752)	\$0
Budget Adjustments								
Environmental Services Department	Transfers and Reimbursements (Transfer from General Fund for RAPID Asset Reimbursement)							
	-	-	-	-	-	\$101,797	-	(\$101,797)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transfer to the General Fund - CDDD Revenue	-	-	(\$150,000)	-	(\$150,000)	-	-	(\$150,000)
Ending Fund Balance Adjustment	-	-	-	\$251,797	\$251,797	-	-	\$251,797
Budget Adjustments Total	\$0	\$0	(\$150,000)	\$251,797	\$101,797	\$101,797	\$0	\$0
Integrated Waste Management Fund (423) TOTAL	\$0	\$0	(\$150,000)	(\$384,955)	(\$534,955)	\$3,918,797	(\$4,453,752)	\$0
Library Parcel Tax Fund (418)								
Clean-Up and Rebudget Actions								
Library Department Fund Balance Reconciliation	-	-	-	\$1,234,873	\$1,234,873	-	\$1,234,873	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$1,234,873	\$1,234,873	\$0	\$1,234,873	\$0
Library Parcel Tax Fund (418) TOTAL	\$0	\$0	\$0	\$1,234,873	\$1,234,873	\$0	\$1,234,873	\$0
Low And Moderate Income Housing Asset Fund (346)								
Clean-Up and Rebudget Actions								
Housing Department Fund Balance Reconciliation - Housing Project Reserve	-	-	\$9,516,566	(\$50,000)	\$9,466,566	-	\$9,466,566	-
Rebudget: Successor Agency to the Redevelopment Agency	-	-	\$133,000	(\$133,000)	-	-	-	-
Tech Adjust: Ending Fund Balance Adjustment	-	-	-	(\$52,540)	(\$52,540)	-	-	(\$52,540)
Information Technology Department Tech Adjust: Personal Services (Funding Shift for Products-Project Manager)	\$52,540	-	-	-	\$52,540	-	-	\$52,540
Clean-Up and Rebudget Actions TOTAL	\$52,540	\$0	\$9,649,566	(\$235,540)	\$9,466,566	\$0	\$9,466,566	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments								
Housing Department								
Housing Loans and Grants	-	-	\$1,106,225	-	\$1,106,225	-	-	\$1,106,225
Affordable Housing Web Portal	-	-	\$10,000	-	\$10,000	-	-	\$10,000
Ending Fund Balance Adjustment	-	-	-	(\$1,116,225)	(\$1,116,225)	-	-	(\$1,116,225)
Budget Adjustments Total	\$0	\$0	\$1,116,225	(\$1,116,225)	\$0	\$0	\$0	\$0
Low And Moderate Income Housing Asset Fund (346)								
TOTAL	\$52,540	\$0	\$10,765,791	(\$1,351,765)	\$9,466,566	\$0	\$9,466,566	\$0
Maintenance District No. 1 (Los Paseos) Fund (352)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$72,785	\$72,785	-	\$72,785	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$72,785	\$72,785	\$0	\$72,785	\$0
Maintenance District No. 1 (Los Paseos) Fund (352) TOTAL	\$0	\$0	\$0	\$72,785	\$72,785	\$0	\$72,785	\$0
Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	(\$5,461)	(\$5,461)	-	(\$5,461)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$5,461)	(\$5,461)	\$0	(\$5,461)	\$0
Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354) TOTAL	\$0	\$0	\$0	(\$5,461)	(\$5,461)	\$0	(\$5,461)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$17,434	\$17,434	-	\$17,434	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$17,434	\$17,434	\$0	\$17,434	\$0
	Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357) TOTAL	\$0	\$0	\$0	\$17,434	\$17,434	\$0	\$17,434	\$0
Maintenance District No. 8 (Zanker-Montague) Fund (361)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$5,977)	(\$5,977)	-	(\$5,977)	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$5,977)	(\$5,977)	\$0	(\$5,977)	\$0
	Maintenance District No. 8 (Zanker-Montague) Fund (361) TOTAL	\$0	\$0	\$0	(\$5,977)	(\$5,977)	\$0	(\$5,977)	\$0
Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$18,385)	(\$18,385)	-	(\$18,385)	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$18,385)	(\$18,385)	\$0	(\$18,385)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)								
TOTAL	\$0	\$0	\$0	(\$18,385)	(\$18,385)	\$0	(\$18,385)	\$0
Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)								
Clean-Up and Rebudget Actions								
Transportation Department	Fund Balance Reconciliation							
	-	-	-	\$104,477	\$104,477	-	\$104,477	-
	Clean-Up and Rebudget Actions							
TOTAL	\$0	\$0	\$0	\$104,477	\$104,477	\$0	\$104,477	\$0
Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364) TOTAL								
	\$0	\$0	\$0	\$104,477	\$104,477	\$0	\$104,477	\$0
Maintenance District No. 13 (Karina-O'Nel) Fund (366)								
Clean-Up and Rebudget Actions								
Transportation Department	Fund Balance Reconciliation							
	-	-	-	\$2,107	\$2,107	-	\$2,107	-
	Clean-Up and Rebudget Actions							
TOTAL	\$0	\$0	\$0	\$2,107	\$2,107	\$0	\$2,107	\$0
Maintenance District No. 13 (Karina-O'Nel) Fund (366) TOTAL								
	\$0	\$0	\$0	\$2,107	\$2,107	\$0	\$2,107	\$0
Maintenance District No. 15 (Silver Creek Valley) Fund (368)								
Clean-Up and Rebudget Actions								
Transportation Department	Fund Balance Reconciliation							
	-	-	-	\$74,515	\$74,515	-	\$74,515	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	\$74,515	\$74,515	\$0	\$74,515	\$0
Maintenance District No. 15 (Silver Creek Valley) Fund (368)								
TOTAL	\$0	\$0	\$0	\$74,515	\$74,515	\$0	\$74,515	\$0
Maintenance District No. 18 (The Meadowlands) Fund (372)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$57,230	\$57,230	-	\$57,230	-
Rebudget: Special District Landscape improvements	-	\$40,000	-	(\$40,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$40,000	\$0	\$17,230	\$57,230	\$0	\$57,230	\$0
Maintenance District No. 18 (The Meadowlands) Fund (372) TOTAL	\$0	\$40,000	\$0	\$17,230	\$57,230	\$0	\$57,230	\$0
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)								
Clean-Up and Rebudget Actions								
Transportation Department								
Fund Balance Reconciliation	-	-	-	(\$6,442)	(\$6,442)	-	(\$6,442)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$6,442)	(\$6,442)	\$0	(\$6,442)	\$0
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359) TOTAL	\$0	\$0	\$0	(\$6,442)	(\$6,442)	\$0	(\$6,442)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$8,967	\$8,967	-	\$8,967	-
	Clean-Up and Rebudget Actions								
	TOTAL	\$0	\$0	\$0	\$8,967	\$8,967	\$0	\$8,967	\$0
Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365) TOTAL		\$0	\$0	\$0	\$8,967	\$8,967	\$0	\$8,967	\$0
Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$6,396	\$6,396	-	\$6,396	-
	Clean-Up and Rebudget Actions								
	TOTAL	\$0	\$0	\$0	\$6,396	\$6,396	\$0	\$6,396	\$0
Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356) TOTAL		\$0	\$0	\$0	\$6,396	\$6,396	\$0	\$6,396	\$0
Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)									
Clean-Up and Rebudget Actions									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$335	\$335	-	\$335	-
	Clean-Up and Rebudget Actions								
	TOTAL	\$0	\$0	\$0	\$335	\$335	\$0	\$335	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367) TOTAL	\$0	\$0	\$0	\$335	\$335	\$0	\$335	\$0
Multi-Source Housing Fund (448)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	(\$46,114,783)	(\$46,114,783)	-	(\$46,114,783)	-
Rebudget: Revenue from Federal Government (Emergency Shelter Grants)	-	-	-	\$35,870,044	\$35,870,044	\$35,870,044	-	-
Rebudget: Revenue from the State of California (Project HomeKey)	-	-	-	\$869,295	\$869,295	\$869,295	-	-
Rebudget: Revenue from the Use of Money/Property (Recovery Act - Neighborhood Stabilization Program 2)	-	-	-	(\$139,586)	(\$139,586)	(\$139,586)	-	-
Rebudget: Rock Springs Landlord Incentive	-	-	\$97,050	(\$97,050)	-	-	-	-
Rebudget: SB89 COVID-19 Emergency	-	-	(\$630,190)	\$630,190	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$533,140)	(\$8,981,890)	(\$9,515,030)	\$36,599,753	(\$46,114,783)	\$0
Budget Adjustments								
Housing Department								
Recovery Act - Neighborhood Stabilization Program 2/Revenue from the Use of Money/Property (Loan Repayments)	-	-	\$150,000	-	\$150,000	\$150,000	-	-
Homeless Outreach Services	-	-	\$400,000	-	\$400,000	-	-	\$400,000
City Housing Authority Reserve	-	-	(\$400,000)	-	(\$400,000)	-	-	(\$400,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from the Multi-Source Housing Fund to Homeless Emergency Aid Program Fund)	-	-	\$558,157	-	\$558,157	-	-	\$558,157
Transfer to the Affordable Housing Impact Fee Fund	-	-	\$7,855,263	-	\$7,855,263	-	-	\$7,855,263
Transfer to the Homeless Housing, Assistance, and Prevention Fund	-	-	\$7,639,913	-	\$7,639,913	-	-	\$7,639,913
Transfers and Reimbursements (Fund Balance Transfer from the Affordable Housing Impact Fee Fund)	-	-	-	-	-	\$12,505,263	-	(\$12,505,263)
Transfers and Reimbursements (Fund Balance Transfer from the Homeless Housing, Assistance, and Prevention Fund)	-	-	-	-	-	\$7,768,429	-	(\$7,768,429)
Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from Affordable Housing Impact Fee Fund)	-	-	\$12,505,263	-	\$12,505,263	-	-	\$12,505,263
Transfer to the Multi-Source Housing Fund (Fund Balance Transfer from Homeless Housing, Assistance, and Prevention Fund)	-	-	\$7,768,429	-	\$7,768,429	-	-	\$7,768,429
Transfers and Reimbursements (Transfer from the Multi-Source Housing Fund)	-	-	-	-	-	\$558,157	-	(\$558,157)
Housing Project Reserve	-	-	(\$8,000,000)	-	(\$8,000,000)	-	-	(\$8,000,000)
Ending Fund Balance Adjustment	-	-	-	(\$7,495,176)	(\$7,495,176)	-	-	(\$7,495,176)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments Total	\$0	\$0	\$28,477,025	(\$7,495,176)	\$20,981,849	\$20,981,849	\$0	\$0
Multi-Source Housing Fund (448)								
TOTAL	\$0	\$0	\$27,943,885	(\$16,477,066)	\$11,466,819	\$57,581,602	(\$46,114,783)	\$0
 Municipal Golf Course Fund (518)								
Clean-Up and Rebudget Actions								
Parks, Recreation and Neighborhood Services Department								
Fund Balance Reconciliation	-	-	-	(\$7,205)	(\$7,205)	-	(\$7,205)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$7,205)	(\$7,205)	\$0	(\$7,205)	\$0
Municipal Golf Course Fund (518) TOTAL	\$0	\$0	\$0	(\$7,205)	(\$7,205)	\$0	(\$7,205)	\$0
 Planning Development Fee Program Fund (238)								
Clean-Up and Rebudget Actions								
Planning, Building and Code Enforcement Department								
Fund Balance Reconciliation	-	-	-	\$1,680,414	\$1,680,414	-	\$1,680,414	-
Tech Adjust: Development Fee Program - Shared Resources Personal Services (Funding Reallocation)	\$2,058	-	-	-	\$2,058	-	-	\$2,058
Tech Adjust: Non- Personal/Equipment (Reallocation from Personal Services for Environmental Review)	-	\$61,174	-	-	\$61,174	-	-	\$61,174

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Tech Adjust: Personal Services (Reallocation to Non- Personal/Equipment for Environmental Review)	(\$61,174)	-	-	-	(\$61,174)	-	-	(\$61,174)	
Tech Adjust: Planning Development Fee Program - Personal Services (Funding Reallocation)	(\$2,058)	-	-	-	(\$2,058)	-	-	(\$2,058)	
Clean-Up and Rebudget Actions TOTAL	(\$61,174)	\$61,174	\$0	\$1,680,414	\$1,680,415	\$0	\$1,680,414	\$0	
Planning Development Fee Program Fund (238) TOTAL	(\$61,174)	\$61,174	\$0	\$1,680,414	\$1,680,415	\$0	\$1,680,414	\$0	
Public Works Development Fee Program Fund (241)									
Clean-Up and Rebudget Actions									
Public Works Department	Fund Balance Reconciliation	-	-	-	\$1,392,060	\$1,392,060	-	\$1,392,060	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$1,392,060	\$1,392,060	\$0	\$1,392,060	\$0
Public Works Development Fee Program Fund (241) TOTAL		\$0	\$0	\$0	\$1,392,060	\$1,392,060	\$0	\$1,392,060	\$0
Public Works Program Support Fund (150)									
Clean-Up and Rebudget Actions									
Public Works Department	Fund Balance Reconciliation	-	-	-	\$1,110,702	\$1,110,702	-	\$1,110,702	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$1,110,702	\$1,110,702	\$0	\$1,110,702	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments								
Public Works Department								
Transfer to the City Hall Debt Service Fund	-	-	(\$35,000)	-	(\$35,000)	-	-	(\$35,000)
Ending Fund Balance Adjustment	-	-	-	\$35,000	\$35,000	-	-	\$35,000
Budget Adjustments Total	\$0	\$0	(\$35,000)	\$35,000	\$0	\$0	\$0	\$0
Public Works Program Support Fund (150) TOTAL	\$0	\$0	(\$35,000)	\$1,145,702	\$1,110,702	\$0	\$1,110,702	\$0
Public Works Small Cell Permitting Fee Program Fund (242)								
Clean-Up and Rebudget Actions								
Public Works Department								
Fund Balance Reconciliation	-	-	-	\$965,506	\$965,506	-	\$965,506	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$965,506	\$965,506	\$0	\$965,506	\$0
Public Works Small Cell Permitting Fee Program Fund (242) TOTAL	\$0	\$0	\$0	\$965,506	\$965,506	\$0	\$965,506	\$0
Rental Stabilization Program Fee Fund (450)								
Clean-Up and Rebudget Actions								
Housing Department								
Fund Balance Reconciliation	-	-	-	(\$865,327)	(\$865,327)	-	(\$865,327)	-
Rebudget: Non-Personal/Equipment	-	(\$250,000)	-	\$250,000	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	(\$250,000)	\$0	(\$615,327)	(\$865,327)	\$0	(\$865,327)	\$0
Rental Stabilization Program Fee Fund (450) TOTAL	\$0	(\$250,000)	\$0	(\$615,327)	(\$865,327)	\$0	(\$865,327)	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
San José Arena Capital Reserve Fund (459)								
Clean-Up and Rebudget Actions								
Office of the City Manager								
Fund Balance Reconciliation	-	-	-	\$4,001,748	\$4,001,748		-	\$4,001,748
Previously Approved Repairs Reserve	-	-	\$4,000,000	(\$4,000,000)	-		-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$4,000,000	\$1,748	\$4,001,748		\$0	\$4,001,748
San José Arena Capital Reserve Fund (459) TOTAL	\$0	\$0	\$4,000,000	\$1,748	\$4,001,748		\$0	\$4,001,748
San José Clean Energy Operating Fund (501)								
Clean-Up and Rebudget Actions								
Community Energy Department								
Fund Balance Reconciliation	-	-	-	(\$15,628,071)	(\$15,628,071)		-	(\$15,628,071)
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$15,628,071)	(\$15,628,071)		\$0	(\$15,628,071)
Budget Adjustments								
Office of the City Attorney								
Personal Services (Office of the City Attorney Staff Funding Shift)	(\$78,357)	-	-	-	(\$78,357)		-	(\$78,357)
Community Energy Department								
Cost of Energy	-	-	\$22,200,000	-	\$22,200,000		-	\$22,200,000
Commercial Paper Interest and Fees	-	-	\$300,000	-	\$300,000		-	\$300,000
Fees, Rates, and Charges (Energy Sales)	-	-	-	-	-	\$10,400,000	-	(\$10,400,000)
Interest Earnings	-	-	-	-	-	(\$500,000)	-	\$500,000
Financing Proceeds (Commercial Paper)	-	-	-	-	-	\$53,000,000	-	(\$53,000,000)
Ending Fund Balance Adjustment	-	-	-	\$40,478,357	\$40,478,357		-	\$40,478,357

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments Total	(\$78,357)	\$0	\$22,500,000	\$40,478,357	\$62,900,000	\$62,900,000	\$0	\$0
San José Clean Energy Operating Fund (501) TOTAL	(\$78,357)	\$0	\$22,500,000	\$24,850,286	\$47,271,929	\$62,900,000	(\$15,628,071)	\$0
San José-Santa Clara Treatment Plant Income Fund (514)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	\$35,704	\$35,704	-	\$35,704	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$35,704	\$35,704	\$0	\$35,704	\$0
San José-Santa Clara Treatment Plant Income Fund (514) TOTAL	\$0	\$0	\$0	\$35,704	\$35,704	\$0	\$35,704	\$0
San José-Santa Clara Treatment Plant Operating Fund (513)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	(\$5,384,917)	(\$5,384,917)	-	(\$5,384,917)	-
Rebudget: Legacy Lagoons Remediation	-	-	(\$2,500,000)	\$2,500,000	-	-	-	-
Rebudget: Non- Personal/Equipment (Legacy Lagoon Planning and Permitting)	-	\$71,309	-	(\$71,309)	-	-	-	-
Rebudget: Non- Personal/Equipment (Regional Wastewater Facility Cogeneration Engine Facility Maintenance)	-	\$592,659	-	(\$592,659)	-	-	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Non- Personal/Equipment (Residual Sludge Management Dredge Refurbishment)	-	\$380,000	-	(\$380,000)	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$1,043,968	(\$2,500,000)	(\$3,928,885)	(\$5,384,917)	\$0	(\$5,384,917)	\$0
San José-Santa Clara Treatment Plant Operating Fund (513) TOTAL	\$0	\$1,043,968	(\$2,500,000)	(\$3,928,885)	(\$5,384,917)	\$0	(\$5,384,917)	\$0
Sewage Treatment Plant Connection Fee Fund (539)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	\$250,859	-	\$250,859	-	\$250,859	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$250,859	\$0	\$250,859	\$0	\$250,859	\$0
Sewage Treatment Plant Connection Fee Fund (539) TOTAL	\$0	\$0	\$250,859	\$0	\$250,859	\$0	\$250,859	\$0
Sewer Service And Use Charge Fund (541)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Ending Fund Balance Adjustment: Rebudgets	-	-	-	\$59,545	\$59,545	-	-	\$59,545
Fund Balance Reconciliation	-	-	-	\$2,034,485	\$2,034,485	-	\$2,034,485	-
Transportation Department								
Rebudget: Computerized Maintenance Management System Upgrade	-	(\$70,400)	-	-	(\$70,400)	-	-	(\$70,400)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions 2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Sewer Lateral Replacement Grant	-	\$10,855	-	-	\$10,855	-	-	\$10,855
Clean-Up and Rebudget Actions TOTAL	\$0	(\$59,545)	\$0	\$2,094,030	\$2,034,485	\$0	\$2,034,485	\$0
Budget Adjustments								
Environmental Services Department								
Ending Fund Balance Adjustment	-	-	-	(\$111,000)	(\$111,000)	-	-	(\$111,000)
Transportation Department	-	\$111,000	-	-	\$111,000	-	-	\$111,000
Budget Adjustments Total	\$0	\$111,000	\$0	(\$111,000)	\$0	\$0	\$0	\$0
Sewer Service And Use Charge Fund (541) TOTAL	\$0	\$51,455	\$0	\$1,983,030	\$2,034,485	\$0	\$2,034,485	\$0
South Bay Water Recycling Operating Fund (570)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	\$430,889	\$430,889	-	\$430,889	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$430,889	\$430,889	\$0	\$430,889	\$0
South Bay Water Recycling Operating Fund (570) TOTAL	\$0	\$0	\$0	\$430,889	\$430,889	\$0	\$430,889	\$0
St. James Park Management District Fund (345)								
Clean-Up and Rebudget Actions								
Parks, Recreation and Neighborhood Services Department								
Fund Balance Reconciliation	-	-	-	\$3,342,164	\$3,342,164	-	\$3,342,164	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$3,342,164	\$3,342,164	\$0	\$3,342,164	\$0
St. James Park Management District Fund (345) TOTAL	\$0	\$0	\$0	\$3,342,164	\$3,342,164	\$0	\$3,342,164	\$0
State Drug Forfeiture Fund (417)								
Clean-Up and Rebudget Actions								
Police Department Fund Balance Reconciliation	-	-	-	\$34,097	\$34,097	-	\$34,097	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$34,097	\$34,097	\$0	\$34,097	\$0
State Drug Forfeiture Fund (417) TOTAL	\$0	\$0	\$0	\$34,097	\$34,097	\$0	\$34,097	\$0
Storm Sewer Operating Fund (446)								
Clean-Up and Rebudget Actions								
Environmental Services Department Fund Balance Reconciliation	-	-	-	\$1,451,351	\$1,451,351	-	\$1,451,351	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$1,451,351	\$1,451,351	\$0	\$1,451,351	\$0
Budget Adjustments								
Environmental Services Department Operations and Maintenance Reserve (Use)	-	-	\$195,324	-	\$195,324	-	-	\$195,324
Transportation Department Ending Fund Balance Adjustment	-	-	-	(\$314,324)	(\$314,324)	-	-	(\$314,324)
Storm Sewer Vehicle Replacement	-	\$19,000	-	-	\$19,000	-	-	\$19,000
Storm Water Bioretention Repair Projects	-	\$100,000	-	-	\$100,000	-	-	\$100,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments Total	\$0	\$119,000	\$195,324	(\$314,324)	\$0	\$0	\$0	\$0
Storm Sewer Operating Fund (446) TOTAL	\$0	\$119,000	\$195,324	\$1,137,027	\$1,451,351	\$0	\$1,451,351	\$0
Supplemental Law Enforcement Services Fund (414)								
Clean-Up and Rebudget Actions								
Police Department Fund Balance Reconciliation	-	-	-	\$2,655,492	\$2,655,492	-	\$2,655,492	-
Rebudget: SLES Grant 2016-2018	-	-	(\$1,184)	\$9,803	\$8,619	\$8,619	-	-
Rebudget: SLES Grant 2017-2019	-	-	(\$969)	\$45,306	\$44,337	\$44,337	-	-
Rebudget: SLES Grant 2018-2020	-	-	(\$54,282)	\$76,486	\$22,204	\$22,204	-	-
Rebudget: SLES Grant 2019-2021	-	-	(\$35,801)	\$20,132	(\$15,669)	(\$15,669)	-	-
Rebudget: SLES Grant 2020-2022	-	-	(\$108,724)	\$80,526	(\$28,198)	(\$28,198)	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	(\$200,960)	\$2,887,745	\$2,686,785	\$31,293	\$2,655,492	\$0
Budget Adjustments								
Police Department SLES Grant 2017-2019	-	-	\$207	-	\$207	-	-	\$207
SLES Grant 2018-2020	-	-	\$10,238	-	\$10,238	-	-	\$10,238
SLES Grant 2019-2021	-	-	\$20,415	-	\$20,415	-	-	\$20,415
SLES Grant 2020-2022	-	-	\$17,819	-	\$17,819	-	-	\$17,819
Ending Fund Balance Adjustment	-	-	-	(\$48,679)	(\$48,679)	-	-	(\$48,679)
Budget Adjustments Total	\$0	\$0	\$48,679	(\$48,679)	\$0	\$0	\$0	\$0
Supplemental Law Enforcement Services Fund (414) TOTAL	\$0	\$0	(\$152,281)	\$2,839,066	\$2,686,785	\$31,293	\$2,655,492	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transient Occupancy Tax Fund (461)								
Clean-Up and Rebudget Actions								
City Manager - Office of Economic Development and Cultural Affairs								
Fund Balance Reconciliation	-	-	-	\$1,675,578	\$1,675,578		-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$1,675,578	\$1,675,578		\$0	\$0
Budget Adjustments								
City Manager - Office of Economic Development and Cultural Affairs								
San José Convention and Visitors Bureau	-	-	(\$58,618)	-	(\$58,618)		-	(\$58,618)
Transfer to the Convention and Cultural Affairs Fund	-	-	(\$117,235)	-	(\$117,235)		-	(\$117,235)
Cultural Grants Reserve	-	-	\$1,851,431	-	\$1,851,431		-	\$1,851,431
Ending Fund Balance Adjustment	-	-	-	(\$1,675,578)	(\$1,675,578)		-	(\$1,675,578)
Budget Adjustments Total	\$0	\$0	\$1,675,578	(\$1,675,578)	\$0		\$0	\$0
Transient Occupancy Tax Fund (461) TOTAL	\$0	\$0	\$1,675,578	\$0	\$1,675,578		\$0	\$0
Vehicle Maintenance And Operations Fund (552)								
Clean-Up and Rebudget Actions								
Public Works Department								
Fund Balance Reconciliation	-	-	-	\$371,042	\$371,042		-	-
Rebudget: Vehicle Replacement Fund (General Fleet)	-	-	\$315,000	(\$315,000)	-		-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$315,000	\$56,042	\$371,042		\$0	\$0
Vehicle Maintenance And Operations Fund (552) TOTAL	\$0	\$0	\$315,000	\$56,042	\$371,042		\$0	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Water Utility Fund (515)								
Clean-Up and Rebudget Actions								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	(\$240,992)	(\$240,992)	-	(\$240,992)	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	(\$240,992)	(\$240,992)	\$0	(\$240,992)	\$0
Water Utility Fund (515) TOTAL	\$0	\$0	\$0	(\$240,992)	(\$240,992)	\$0	(\$240,992)	\$0
Workforce Development Fund (290)								
Clean-Up and Rebudget Actions								
City Manager - Office of Economic Development and Cultural Affairs								
Fund Balance Reconciliation	-	-	-	\$182,499	\$182,499	-	\$182,499	-
Rebudget: Administration/Revenue from Federal Government	-	-	\$37,461	-	\$37,461	\$37,461	-	-
Rebudget: Dislocated Workers/Revenue from Federal Government	-	-	\$38,618	-	\$38,618	\$38,618	-	-
Rebudget: BusinessOwnerSpace.com Network	-	-	(\$75)	\$75	-	-	-	-
Rebudget: Prison to Employment Implementation Grant/Revenue from Local Agencies	-	-	(\$560)	-	(\$560)	(\$560)	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Tech Adjust: Revenue from Local Agencies (Reallocation to Revenue from Federal Government)	-	-	-	-	-	(\$57,200)	-	\$57,200
Tech Adjust: Revenue from the Federal Government (Reallocation from Revenue from State of California and Local Agencies)	-	-	-	-	-	\$307,200	-	(\$307,200)
Tech Adjust: Revenue from the State of California (Reallocation to Revenue from the Federal Government)	-	-	-	-	-	(\$250,000)	-	\$250,000
Tech Adjust: Sling Shot Regional Plan Implementation (Retitle from Sling Shot 2.0 Regional Plan Implementation)	-	-	-	-	-	-	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$75,444	\$182,574	\$258,018	\$75,519	\$182,499	\$0
Budget Adjustments								
City Manager - Office of Economic Development and Cultural Affairs								
Administration/Revenue from Federal Government	-	-	\$15,587	-	\$15,587	\$15,587	-	-
Adult Workers/Revenue from Federal Government	-	-	(\$110,359)	-	(\$110,359)	(\$110,359)	-	-
Dislocated Workers - COVID-19/Revenue from Federal Government	-	-	(\$18,855)	-	(\$18,855)	(\$18,855)	-	-
Prison to Employment Implementation Grant/Revenue from Local Agencies	-	-	(\$12,505)	-	(\$12,505)	(\$12,505)	-	-
Rapid Response Grant/Revenue from Federal Government	-	-	(\$141,382)	-	(\$141,382)	(\$141,382)	-	-

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Special Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Sling Shot Regional Plan Implementation/Revenue from Local Agencies	-	-	(\$1,198)	-	(\$1,198)	(\$1,198)	-	-
Youth Workers/Revenue from Federal Government	-	-	(\$89,076)	-	(\$89,076)	(\$89,076)	-	-
SJ Works (Wells Fargo)/Other Revenue	-	-	\$15,000	-	\$15,000	\$15,000	-	-
Career National Dislocated Workers Grant/Revenue from the Federal Government	-	-	\$500,000	-	\$500,000	\$500,000	-	-
Other Revenue	-	-	-	-	-	(\$91,667)	-	\$91,667
Ending Fund Balance Adjustment	-	-	-	(\$91,667)	(\$91,667)	-	-	(\$91,667)
Budget Adjustments Total	\$0	\$0	\$157,212	(\$91,667)	\$65,545	\$65,545	\$0	\$0
Workforce Development Fund (290) TOTAL	\$0	\$0	\$232,656	\$90,907	\$323,563	\$141,064	\$182,499	\$0

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	SOURCE	NET COST		
	Expense	Revenue	Ending Fund Balance	Total Use	Beg Fund Balance
Airport Capital Improvement Fund (520)					
Ending Fund Balance Adjustment: Rebudgets			\$(76,000)	\$(76,000)	\$(76,000)
Fund Balance Reconciliation					\$3,218,889
Fund Balance Reconciliation			\$3,218,889	\$3,218,889	\$3,218,889
Rebudget: Aircraft Rescue and Fire Fighting Facility	\$(1,308,000)			\$(1,308,000)	\$(1,308,000)
Rebudget: Airfield Electrical Circuit Rehabilitation	\$(214,000)			\$(214,000)	\$(214,000)
Rebudget: Perimeter Security Projects	\$(1,000)			\$(1,000)	\$(1,000)
Rebudget: Revenue from Federal Government (Aircraft Rescue and Fire Fighting Facility)		\$(1,308,000)			\$1,308,000
Rebudget: Revenue from Federal Government (Airfield Electrical Circuit Rehabilitation)		\$(214,000)			\$214,000
Rebudget: Revenue from Federal Government (Perimeter Security Projects)		\$(77,000)			\$77,000
Clean-Up and Rebudget Actions TOTAL	\$(1,523,000)		\$3,142,889	\$1,619,889	\$3,218,889
Airport Capital Improvement Fund (520) TOTAL	\$(1,523,000)		\$3,142,889	\$1,619,889	\$3,218,889

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Airport Passenger Facility Charge Fund (529)						
Fund Balance Reconciliation					\$(1,157,334)	\$1,157,334
Fund Balance Reconciliation		\$(1,157,334)	\$(1,157,334)			\$(1,157,334)
Clean-Up and Rebudget Actions TOTAL		\$(1,157,334)	\$(1,157,334)		\$(1,157,334)	
Airport Passenger Facility Charge Fund (529)						
TOTAL		\$(1,157,334)	\$(1,157,334)		\$(1,157,334)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Airport Renewal and Replacement Fund (527)						
Ending Fund Balance Adjustment: Rebudgets		\$(368,000)	\$(368,000)			\$(368,000)
Fund Balance Reconciliation					\$4,182,539	\$(4,182,539)
Fund Balance Reconciliation		\$4,182,539	\$4,182,539			\$4,182,539
Rebudget: Advanced Planning	\$4,000		\$4,000			\$4,000
Rebudget: Aircraft Rescue and Fire Fighting Facility	\$(183,000)		\$(183,000)			\$(183,000)
Rebudget: Airfield Electrical Circuit Rehabilitation	\$224,000		\$224,000			\$224,000
Rebudget: Airfield Geometric Implementation	\$22,000		\$22,000			\$22,000
Rebudget: AOC Equipment Replacement	\$11,000		\$11,000			\$11,000
Rebudget: COVID Mitigation Measures	\$(52,000)		\$(52,000)			\$(52,000)
Rebudget: Economy Lot 1 Parking Garage	\$(62,000)		\$(62,000)			\$(62,000)
Rebudget: Equipment, Operating	\$18,000		\$18,000			\$18,000
Rebudget: Facilities Division Relocation	\$(24,000)		\$(24,000)			\$(24,000)
Rebudget: Guadalupe Gardens Fencing	\$9,000		\$9,000			\$9,000
Rebudget: Land Improvements	\$(6,000)		\$(6,000)			\$(6,000)
Rebudget: Network Replacement	\$214,000		\$214,000			\$214,000
Rebudget: Operations System Replacement	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Parking Accessibility Upgrades	\$18,000		\$18,000			\$18,000
Rebudget: Perimeter Security Projects	\$10,000		\$10,000			\$10,000
Rebudget: Public Art Funding	\$13,000		\$13,000			\$13,000
Rebudget: Signage Design and Production	\$20,000		\$20,000			\$20,000
Rebudget: SJPD Magazine Room Relocation	\$27,000		\$27,000			\$27,000
Rebudget: Terminal A Baggage Claim Carousels	\$9,000		\$9,000			\$9,000
Rebudget: Terminal A Generator Replacement	\$10,000		\$10,000			\$10,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	ENDING FUND Balance	TOTAL USE	SOURCE Revenue	BEG FUND Balance	NET COST
Airport Renewal and Replacement Fund (527)						
Rebudget: Terminal Building Modifications	\$66,000		\$66,000			\$66,000
Rebudget: Upgrade Public WiFi	\$(11,000)		\$(11,000)			\$(11,000)
Rebudget: Vehicle Replacement Program	\$33,000		\$33,000			\$33,000
Clean-Up and Rebudget Actions TOTAL	\$368,000	\$3,814,539	\$4,182,539		\$4,182,539	
Airfield Geometric Implementation	\$840,000		\$840,000			\$840,000
Ending Fund Balance Adjustment		\$(840,000)	\$(840,000)			\$(840,000)
Budget Adjustments TOTAL	\$840,000	\$(840,000)				
Airport Renewal and Replacement Fund (527)						
TOTAL	\$1,208,000	\$2,974,539	\$4,182,539		\$4,182,539	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	SOURCE	NET COST
	Expense	Revenue	
	Ending Fund Balance	Beg Fund Balance	
	Total Use		
Airport Revenue Bond Improvement Fund (526)			
Ending Fund Balance Adjustment	\$(933,704)		\$(933,704)
Transfer to Airport Revenue Fund (Interim Facility Project Savings)	\$931,776		\$931,776
Transfer to Airport Surplus Revenue Fund (Interim Facility Project Interest Earnings)	\$1,928		\$1,928
Budget Adjustments TOTAL	\$933,704		\$(933,704)
Airport Revenue Bond Improvement Fund (526)			
TOTAL	\$933,704		\$(933,704)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

Department/Proposal	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Branch Libraries Bond Projects Fund (472)						
Ending Fund Balance Adjustment: Rebudgets		\$(255,000)	\$(255,000)			\$(255,000)
Fund Balance Reconciliation					\$6,630,517	\$(6,630,517)
Fund Balance Reconciliation		\$6,630,517	\$6,630,517			\$6,630,517
Rebudget: Branch Efficiency Projects	\$245,000		\$245,000			\$245,000
Rebudget: Library Facilities Upgrades	\$10,000		\$10,000			\$10,000
Clean-Up and Rebudget Actions TOTAL	\$255,000	\$6,375,517	\$6,630,517		\$6,630,517	
Branch Libraries Bond Projects Fund (472)						
TOTAL	\$255,000	\$6,375,517	\$6,630,517		\$6,630,517	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Building and Structure Construction Tax Fund (429)						
Ending Fund Balance Adjustment: Rebudgets		\$(5,601,000)	\$(5,601,000)			\$(5,601,000)
Fund Balance Reconciliation					\$10,336,047	\$(10,336,047)
Fund Balance Reconciliation		\$10,336,047	\$10,336,047			\$10,336,047
Rebudget: Automated Traffic Signal Performance Measures	\$83,000		\$83,000			\$83,000
Rebudget: Autumn Street Extension	\$145,000		\$145,000			\$145,000
Rebudget: Better Bikeways San Fernando (ATP)	\$175,000		\$175,000			\$175,000
Rebudget: Branham and Snell Street Improvements	\$132,000		\$132,000			\$132,000
Rebudget: East Santa Clara Street Bridge at Coyote Creek	\$98,000		\$98,000			\$98,000
Rebudget: Guardrail Design and Rehabilitation	\$180,000		\$180,000			\$180,000
Rebudget: ITS: Traffic Incident Management Center	\$99,000		\$99,000			\$99,000
Rebudget: ITS: Operations and Management	\$378,000		\$378,000			\$378,000
Rebudget: LED Streetlight Conversion	\$(82,000)		\$(82,000)			\$(82,000)
Rebudget: McKee Road Corridor Safety Improvements	\$87,000		\$87,000			\$87,000
Rebudget: McLaughlin Avenue Safety Enhancement Project	\$59,000		\$59,000			\$59,000
Rebudget: Monterey Road and Valleyhaven Way Traffic Signal Design	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Monterey Road Safety Improvements	\$100,000		\$100,000			\$100,000
Rebudget: Public Art Allocation	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Quiet Zone	\$(67,000)		\$(67,000)			\$(67,000)
Rebudget: Revenue from Local Agencies (TFCA - Hillsdale Avenue Safety and Bikeway Improvements)				\$80,000		\$(80,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Building and Structure Construction Tax Fund (429)						
Rebudget: Revenue from Local Agencies (TFCA - Transit Signal Priority)				\$(2,000)		\$2,000
Rebudget: Revenue from State of California (AHSC - Roosevelt)				\$85,000		\$(85,000)
Rebudget: Revenue from State of California (ATP - Better Bikeways San Fernando)				\$(38,000)		\$38,000
Rebudget: Revenue from the Federal Government (East Santa Clara Street Bridge at Coyote Creek)				\$(4,000)		\$4,000
Rebudget: Revenue from the Federal Government (HSIP - Senter Road Pedestrian Safety Improvements)				\$2,000		\$(2,000)
Rebudget: Revenue from the Federal Government (HSIP - White Road Pedestrian Safety Improvements)				\$47,000		\$(47,000)
Rebudget: Revenue from the Federal Government (OBAG - McKee Road Safety Corridor Improvements)				\$6,000		\$(6,000)
Rebudget: Roosevelt Park Transportation Improvements	\$50,000		\$50,000			\$50,000
Rebudget: Route 101/Blossom Hill Road Interchange	\$180,000		\$180,000			\$180,000
Rebudget: Safety - Pedestrian Improvements	\$1,290,000		\$1,290,000			\$1,290,000
Rebudget: Safety - Traffic Signal Rehabilitation	\$781,000		\$781,000			\$781,000
Rebudget: Senter Road Pedestrian Safety Improvement	\$29,000		\$29,000			\$29,000
Rebudget: TFCA 2019-2020 Downtown Signal Retiming	\$8,000		\$8,000			\$8,000
Rebudget: TFCA 2020-2021 Hillsdale Avenue Safety and Bikeway Improvements	\$4,000		\$4,000			\$4,000
Rebudget: TFCA 2020-2021 Transit Signal Priority (TSP)	\$5,000		\$5,000			\$5,000
Rebudget: Traffic Flow Management and Signal Retiming	\$47,000		\$47,000			\$47,000
Rebudget: Transportation Grants Reserve	\$504,000		\$504,000			\$504,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Building and Structure Construction Tax Fund (429)						
Rebudget: Transportation Management Center	\$93,000		\$93,000			\$93,000
Rebudget: Tully Road Corridor Safety Improvements	\$61,000		\$61,000			\$61,000
Rebudget: Underground Utilities - City Conversions	\$447,000		\$447,000			\$447,000
Rebudget: Vision Zero: Safety Initiatives	\$463,000		\$463,000			\$463,000
Rebudget: Vision Zero: Story/Jackson Safety Improvements	\$270,000		\$270,000			\$270,000
Rebudget: West San Carlos Corridor Safety Improvements	\$31,000		\$31,000			\$31,000
Rebudget: West San José Transportation Planning & Implementation	\$63,000		\$63,000			\$63,000
Rebudget: White Road Pedestrian Safety Improvements	\$69,000		\$69,000			\$69,000
Tech Adjust: ATC Traffic Signal Cabinet Upgrades (Reallocation from TS2 Traffic Signal Cabinet Upgrades appropriation)	\$250,000		\$250,000			\$250,000
Tech Adjust: TS2 Traffic Signal Cabinet Upgrades (Reallocation to ATC Traffic Signal Cabinet Upgrades appropriation)	\$(250,000)		\$(250,000)			\$(250,000)
Clean-Up and Rebudget Actions TOTAL	\$5,777,000	\$4,735,047	\$10,512,047	\$176,000	\$10,336,047	
Ending Fund Balance Adjustment		\$(2,032,000)	\$(2,032,000)			\$(2,032,000)
Regional Rail Planning	\$(1,250,000)		\$(1,250,000)			\$(1,250,000)
Revenue from Local Agencies (Airport Connector)				\$(1,250,000)		\$1,250,000
Traffic Signal Improvement Program	\$32,000		\$32,000			\$32,000
Transportation Grants Reserve	\$2,000,000		\$2,000,000			\$2,000,000
Budget Adjustments TOTAL	\$782,000	\$(2,032,000)	\$(1,250,000)	\$(1,250,000)		
Building and Structure Construction Tax Fund (429)	\$6,559,000	\$2,703,047	\$9,262,047	\$(1,074,000)	\$10,336,047	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Communications Construction and Conveyance Tax Fund (397)						
Fund Balance Reconciliation					\$737,813	\$(737,813)
Fund Balance Reconciliation		\$737,813	\$737,813			\$737,813
Clean-Up and Rebudget Actions TOTAL		\$737,813	\$737,813		\$737,813	
Communications Construction and Conveyance Tax Fund (397) TOTAL		\$737,813	\$737,813		\$737,813	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		SOURCE	NET COST
	Expense	Ending Fund Balance		
Construction Excise Tax Fund (465)				
Ending Fund Balance Adjustment - Construction Excise Tax Fund: Rebudgets		\$(3,660,123)		\$(3,660,123)
Ending Fund Balance Adjustment - Evergreen Traffic Impact Fees Fund: Rebudgets		\$(191,000)		\$(191,000)
Ending Fund Balance Adjustment - Evergreen Traffic Impact Fees Fund: Tech Adjust		\$(277,791)		\$(277,791)
Ending Fund Balance Adjustment - I-280/Winchester Traffic Impact Fee Fund: Tech Adjust		\$(1,021,209)		\$(1,021,209)
Ending Fund Balance Adjustment - I-280/Winchester Traffic Impact Fees Fund: Rebudgets		\$(14,000)		\$(14,000)
Ending Fund Balance Adjustment - North San José Traffic Impact Fee Fund: Tech Adjust		\$(2,405,120)		\$(2,405,120)
Ending Fund Balance Adjustment - North San José Traffic Impact Fees Fund: Rebudgets		\$(336,000)		\$(336,000)
Ending Fund Balance Adjustment - Route 101/Oakland/Mabury Traffic Impact Fee Fund: Tech Adjust		\$(113,665)		\$(113,665)
Ending Fund Balance Adjustment - Route 101/Oakland/Mabury Traffic Impact Fees Fund: Rebudgets		\$(4,472,000)		\$(4,472,000)
Ending Fund Balance Adjustment - State Gas Tax Pavement Maintenance Fund: Rebudgets		\$849,000		\$849,000
Ending Fund Balance Adjustment - VTA Measure B 2016 Fund: Rebudgets		\$19,477,640		\$19,477,640
Ending Fund Balance Adjustment - VTA Measure B 2016 Fund: Tech Adjust		\$40,424		\$40,424
Ending Fund Balance Adjustment - VTA Measure B VRF Fund: Rebudgets		\$(4,524,000)		\$(4,524,000)
Ending Fund Balance Adjustment - VTA Measure B VRF Fund: Tech Adjust		\$(445,467)		\$(445,467)
Fund Balance Reconciliation - Construction Excise Tax Fund				\$12,358,931

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Fund Balance Reconciliation - Construction Excise Tax Fund		\$12,358,931	\$12,358,931			\$12,358,931
Fund Balance Reconciliation - Evergreen Traffic Impact Fee Fund					\$248,576	\$(248,576)
Fund Balance Reconciliation - Evergreen Traffic Impact Fees Fund		\$248,576	\$248,576			\$248,576
Fund Balance Reconciliation - I-280/Winchester Traffic Impact Fee Fund					\$1,020,518	\$(1,020,518)
Fund Balance Reconciliation - I-280/Winchester Traffic Impact Fees Fund		\$1,020,518	\$1,020,518			\$1,020,518
Fund Balance Reconciliation - North San José Traffic Impact Fee Fund					\$408,013	\$(408,013)
Fund Balance Reconciliation - North San José Traffic Impact Fees Fund		\$408,013	\$408,013			\$408,013
Fund Balance Reconciliation - Route 101/Oakland/Mabury Traffic Impact Fee Fund					\$4,492,551	\$(4,492,551)
Fund Balance Reconciliation - Route 101/Oakland/Mabury Traffic Impact Fees Fund		\$4,492,551	\$4,492,551			\$4,492,551
Fund Balance Reconciliation - State Gas Tax Pavement Maintenance Fund					\$(1,077,802)	\$1,077,802
Fund Balance Reconciliation - State Gas Tax Pavement Maintenance Fund		\$(1,077,802)	\$(1,077,802)			\$(1,077,802)
Fund Balance Reconciliation - VTA Measure B 2016 Fund					\$(19,518,064)	\$19,518,064
Fund Balance Reconciliation - VTA Measure B 2016 Fund		\$(19,518,064)	\$(19,518,064)			\$(19,518,064)
Fund Balance Reconciliation - VTA Measure B VRF Fund					\$4,654,735	\$(4,654,735)
Fund Balance Reconciliation - VTA Measure B VRF Fund		\$4,654,735	\$4,654,735			\$4,654,735
Rebudget: ADA Sidewalk Accessibility Program	\$689,000		\$689,000			\$689,000
Rebudget: AV Community Engagement Initiative	\$(99,000)		\$(99,000)			\$(99,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

Department/Proposal	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Construction Excise Tax Fund (465)						
Rebudget: Better Bikeways Program (City)	\$(43,000)		\$(43,000)			\$(43,000)
Rebudget: Better Bikeways Program (OBAG)	\$62,000		\$62,000			\$62,000
Rebudget: Emerging Mobility Action Plan	\$38,000		\$38,000			\$38,000
Rebudget: Fiber Optics Permit Engineering	\$(21,000)		\$(21,000)			\$(21,000)
Rebudget: Habitat Conservation Plan - Nitrogen Deposition Fee	\$5,000		\$5,000			\$5,000
Rebudget: Highway 680 and Jackson Avenue Traffic Signal	\$191,000		\$191,000			\$191,000
Rebudget: I-280/Winchester Boulevard Interchange	\$14,000		\$14,000			\$14,000
Rebudget: ITS: Operations and Management	\$91,000		\$91,000			\$91,000
Rebudget: LED Traffic Signal Lamp Replacement	\$392,000		\$392,000			\$392,000
Rebudget: Mechanical Storm Units	\$(18,000)		\$(18,000)			\$(18,000)
Rebudget: Miscellaneous Street Improvements	\$113,000		\$113,000			\$113,000
Rebudget: Montague Expressway Improvements Phase 2	\$51,000		\$51,000			\$51,000
Rebudget: Mount Pleasant Schools Area Bike/Ped Safety Improvements	\$71,000		\$71,000			\$71,000
Rebudget: North San José Deficiency Plan Improvements	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: North San José Improvement - 880/Charcot	\$131,000		\$131,000			\$131,000
Rebudget: North San José Improvement - Route 101/Zanker	\$2,000		\$2,000			\$2,000
Rebudget: North San José Transit Improvements	\$134,000		\$134,000			\$134,000
Rebudget: Pavement Maintenance - City	\$1,172,000		\$1,172,000			\$1,172,000
Rebudget: Pavement Maintenance - Complete Street Project Development	\$314,000		\$314,000			\$314,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Rebudget: Pavement Maintenance - Federal (OBAG2)	\$580,000		\$580,000			\$580,000
Rebudget: Pavement Maintenance - Measure B VRF	\$4,524,000		\$4,524,000			\$4,524,000
Rebudget: Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	\$(426,000)		\$(426,000)			\$(426,000)
Rebudget: Pavement Maintenance - State Gas Tax	\$(423,000)		\$(423,000)			\$(423,000)
Rebudget: Pavement Maintenance - VTA Measure B 2016	\$281,000		\$281,000			\$281,000
Rebudget: Protected Intersections Improvements	\$17,000		\$17,000			\$17,000
Rebudget: Public Art Allocation	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Quick Build Edenvale and Sylvandale Safety Improvements	\$72,000		\$72,000			\$72,000
Rebudget: Renascent Place at Senter Bike/Ped Improvements	\$65,000		\$65,000			\$65,000
Rebudget: Revenue from Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees)				\$240,000		\$(240,000)
Rebudget: Revenue from Local Agencies (Pavement Maintenance - VTA Measure B 2016)				\$19,758,640		\$(19,758,640)
Rebudget: Revenue from Local Agencies (VTA Measure B 2016: Highway Bridge Program)				\$3,000,000		\$(3,000,000)
Rebudget: Revenue from Local Agencies (VTA Measure B 2016 - Walk N Roll)				\$1,164,877		\$(1,164,877)
Rebudget: Revenue from State of California (AHSC - Renascent Bike/Ped Improvements)				\$55,000		\$(55,000)
Rebudget: Revenue from State of California (AHSC - St. James Station at Basset Bike/Pedestrian Improvements)				\$99,000		\$(99,000)
Rebudget: Revenue from State of California (ATP - Quick Build Safety Improvements)				\$72,000		\$(72,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Construction Excise Tax Fund (465)						
Rebudget: Revenue from State of California (SHASC - Emerging Mobility Action Plan)				\$326,000		\$(326,000)
Rebudget: Revenue from State of California (TDA - Bicycle and Pedestrian Facilities)				\$2,611,000		\$(2,611,000)
Rebudget: Revenue from the Federal Government (OBAG - Better Bikeways Program)				\$375,000		\$(375,000)
Rebudget: Revenue from the Federal Government (OBAG - East San José Bike Lane)				\$(24,000)		\$24,000
Rebudget: Revenue from the Federal Government (OBAG II - Pavement Maintenance)				\$(6,866,000)		\$6,866,000
Rebudget: Revenue from the Federal Government (OBAG2 - Downtown San José Mobility, Streetscape, and Public Life)				\$272,000		\$(272,000)
Rebudget: Revenue from the Federal Government (OTS - Vision Zero: Multimodal Traffic Safety Education)				\$123,000		\$(123,000)
Rebudget: Route 101/Mabury Road Project Development	\$4,472,000		\$4,472,000			\$4,472,000
Rebudget: Route 101/Mabury Road Project Development	\$1,144,000		\$1,144,000			\$1,144,000
Rebudget: Route 101/Trimble/De La Cruz Interchange Improvement	\$18,000		\$18,000			\$18,000
Rebudget: Safety - Pedestrian Improvements	\$32,000		\$32,000			\$32,000
Rebudget: St. James Station at Basset Bike/Ped Improvements	\$163,000		\$163,000			\$163,000
Rebudget: Street Name Sign Replacement	\$34,000		\$34,000			\$34,000
Rebudget: Streetlight Wire Replacement	\$133,000		\$133,000			\$133,000
Rebudget: Transportation Data, Forecasting and Analysis	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Vision Zero: City-wide Pedestrian Safety and Traffic Calming	\$(7,000)		\$(7,000)			\$(7,000)

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Rebudget: Walk n Roll - VTA Measure B 2016	\$115,000		\$115,000			\$115,000
Tech Adjust: Evergreen Traffic Impact Fees Reserve	\$277,791		\$277,791			\$277,791
Tech Adjust: I-280/Winchester Boulevard Interchange	\$1,021,209		\$1,021,209			\$1,021,209
Tech Adjust: North San José Traffic Impact Fees Reserve	\$2,405,120		\$2,405,120			\$2,405,120
Tech Adjust: Pavement Maintenance - VTA Measure B 2016	\$(40,424)		\$(40,424)			\$(40,424)
Tech Adjust: Pavement Maintenance - VTA Measure B VRF	\$445,467		\$445,467			\$445,467
Tech Adjust: Route 101/Oakland/Mabury Traffic Impact Fees Reserve	\$113,665		\$113,665			\$113,665
Clean-Up and Rebudget Actions TOTAL	\$18,299,828	\$5,494,147	\$23,793,975	\$21,206,517	\$2,587,458	
Airport Connector	\$2,500,000		\$2,500,000			\$2,500,000
Ending Fund Balance Adjustment		\$(4,048,000)	\$(4,048,000)			\$(4,048,000)
Evergreen Traffic Impact Fees Reserve	\$(860,000)		\$(860,000)			\$(860,000)
Inter-Agency Encroachment Permit	\$48,000		\$48,000			\$48,000
Nieman Boulevard and Daniel Maloney Drive Improvements	\$360,000		\$360,000			\$360,000
Pavement Maintenance – City	\$1,000,000		\$1,000,000			\$1,000,000
Regional Rail Planning	\$(1,250,000)		\$(1,250,000)			\$(1,250,000)
Revenue from Local Agencies (Airport Connector)				\$1,250,000		\$(1,250,000)
Revenue from the Federal Government (Vision Zero: Multimodal Traffic Safety Education)				\$110,000		\$(110,000)
San Felipe and Yerba Buena Intersection Improvements	\$500,000		\$500,000			\$500,000
Transportation Grants Reserve	\$3,000,000		\$3,000,000			\$3,000,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

Department/Proposal	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Construction Excise Tax Fund (465)						
Vision Zero: Multimodal Traffic Safety Education	\$110,000		\$110,000			\$110,000
Budget Adjustments TOTAL	\$5,408,000	\$(4,048,000)	\$1,360,000	\$1,360,000		
Construction Excise Tax Fund (465) TOTAL	\$23,707,828	\$1,446,147	\$25,153,975	\$22,566,517	\$2,587,458	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Contingent Lien District Fund (634)						
Fund Balance Reconciliation					\$(833,685)	\$833,685
Fund Balance Reconciliation - Evergreen Benefit Assessment District Fund					\$329,669	\$(329,669)
Fund Balance Reconciliation - Evergreen Benefit Assessment District Fund		\$(80,000)	\$(80,000)			\$(80,000)
Fund Balance Reconciliation - Evergreen Benefit Assessment District Reserve	\$329,669		\$329,669			\$329,669
Fund Balance Reconciliation - Evergreen Benefit Assessment District Reserve	\$(329,669)		\$(329,669)			\$(329,669)
Fund Balance Reconciliation - Evergreen Benefit Assessment District Reserve	\$80,000		\$80,000			\$80,000
Fund Balance Reconciliation - Evergreen Creek Assessment District Fund					\$54,501	\$(54,501)
Fund Balance Reconciliation - Evergreen Creek Assessment District Fund		\$(10,000)	\$(10,000)			\$(10,000)
Fund Balance Reconciliation - Evergreen Creek District Reserve	\$54,501		\$54,501			\$54,501
Fund Balance Reconciliation - Evergreen Creek District Reserve	\$10,000		\$10,000			\$10,000
Fund Balance Reconciliation - Shea Homes Advance Assessment District Fund					\$22,959	\$(22,959)
Fund Balance Reconciliation - Shea Homes Advance Assessment District Fund		\$(10,000)	\$(10,000)			\$(10,000)
Fund Balance Reconciliation - Silicon Valley Bridge Assessment District Fund					\$23,021	\$(23,021)
Fund Balance Reconciliation - Silicon Valley Bridge Assessment District Fund		\$(10,000)	\$(10,000)			\$(10,000)
Fund Balance Reconciliation - Silicon Valley Bridge Assessment District Reserve	\$23,021		\$23,021			\$23,021
Fund Balance Reconciliation - Silicon Valley Bridge Assessment District Reserve	\$10,000		\$10,000			\$10,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Contingent Lien District Fund (634)						
Fund Balance Reconciliation - Silver Creek Development District 1A Reserve	\$22,959		\$22,959			\$22,959
Fund Balance Reconciliation - Silver Creek Development District 1A Reserve	\$10,000		\$10,000			\$10,000
Fund Reconciliation - Silver Creek Assessment District Fund					\$21,604	\$(21,604)
Fund Reconciliation - Silver Creek Assessment District Fund		\$(10,000)	\$(10,000)			\$(10,000)
Fund Reconciliation - Silver Creek Development District 1B Reserve	\$21,604		\$21,604			\$21,604
Fund Reconciliation - Silver Creek Development District 1B Reserve	\$10,000		\$10,000			\$10,000
TechAdjust: Evergreen Creek District Reserve	\$(16,076)		\$(16,076)			\$(16,076)
TechAdjust: Quimby/Fowler Creek Riparian Restoration	\$(432,892)		\$(432,892)			\$(432,892)
TechAdjust: Silicon Valley Bridge Assessment District Reserve	\$(18,373)		\$(18,373)			\$(18,373)
TechAdjust: Silver Creek Development District 1A Reserve	\$(18,406)		\$(18,406)			\$(18,406)
TechAdjust: Silver Creek Development District 1B Reserve	\$(18,269)		\$(18,269)			\$(18,269)
TechAdjust: Transfer to the Contingent Lien District Fund (From Evergreen Benefit Assessment District Fund)	\$762,561		\$762,561			\$762,561
TechAdjust: Transfer to the Contingent Lien District Fund (From Evergreen Creek Assessment District Fund)	\$16,076		\$16,076			\$16,076
TechAdjust: Transfer to the Contingent Lien District Fund (From Shea Homes Advance Assessment District Fund)	\$18,406		\$18,406			\$18,406

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Contingent Lien District Fund (634)						
TechAdjust: Transfer to the Contingent Lien District Fund (From Silicon Valley Bridge Assessment District Fund)	\$18,373		\$18,373			\$18,373
TechAdjust: Transfer to the Contingent Lien District Fund (From Silver Creek Assessment District Fund)	\$18,269		\$18,269			\$18,269
TechAdjust: Transfers and Reimbursements (From Evergreen Benefit Assessment District Fund)				\$762,561		\$(762,561)
TechAdjust: Transfers and Reimbursements (From Evergreen Creek Assessment District Fund)				\$16,076		\$(16,076)
TechAdjust: Transfers and Reimbursements (From Shea Homes Advance Assessment District Fund)				\$18,406		\$(18,406)
TechAdjust: Transfers and Reimbursements (From Silicon Valley Bridge Assessment District Fund)				\$18,373		\$(18,373)
TechAdjust: Transfers and Reimbursements (From Silver Creek Assessment District Fund)				\$18,269		\$(18,269)
Clean-Up and Rebudget Actions TOTAL	\$571,754	\$(120,000)	\$451,754	\$833,685	\$(381,931)	
Contingent Lien District Fund (634) TOTAL	\$571,754	\$(120,000)	\$451,754	\$833,685	\$(381,931)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Convention and Cultural Affairs Capital Fund (560)						
Ending Fund Balance Adjustment: Rebudgets		\$(499,000)	\$(499,000)			\$(499,000)
Fund Balance Reconciliation					\$622,910	\$(622,910)
Fund Balance Reconciliation		\$622,910	\$622,910			\$622,910
Rebudget: Civic Auditorium Access/Loading Dock Improvements	\$15,000		\$15,000			\$15,000
Rebudget: Convention Center Expansion Planning and Preliminary Engineering	\$247,000		\$247,000			\$247,000
Rebudget: Family Friendly City Facilities	\$40,000		\$40,000			\$40,000
Rebudget: Museum Place Coordination and Review	\$118,000		\$118,000			\$118,000
Rebudget: Rehabilitation/Repair - Electrical	\$(89,000)		\$(89,000)			\$(89,000)
Rebudget: Rehabilitation/Repair - Mechanical	\$168,000		\$168,000			\$168,000
Rebudget: Rehabilitation/Repair - Structures	\$(35,000)		\$(35,000)			\$(35,000)
Rebudget: Rehabilitation/Repair - Unanticipated	\$35,000		\$35,000			\$35,000
Clean-Up and Rebudget Actions TOTAL	\$499,000	\$123,910	\$622,910		\$622,910	
Convention and Cultural Affairs Capital Fund (560) TOTAL	\$499,000	\$123,910	\$622,910		\$622,910	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Convention Center Facilities District Capital Fund (798)						
Ending Fund Balance Adjustment: Rebudgets		\$(171,000)	\$(171,000)			\$(171,000)
Fund Balance Reconciliation					\$75,765	\$(75,765)
Fund Balance Reconciliation		\$75,765	\$75,765			\$75,765
Rebudget: Convention Center Concourse Column Covers	\$119,000		\$119,000			\$119,000
Rebudget: Convention Center HVAC Upgrades	\$52,000		\$52,000			\$52,000
Rebudget: Convention Center Restrooms Upgrades	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Public Art (Convention Center Exhibit Hall Lighting and Ceiling Upgrades Project)	\$1,000		\$1,000			\$1,000
Clean-Up and Rebudget Actions TOTAL	\$171,000	\$(95,235)	\$75,765		\$75,765	
Convention Center Facilities District Capital Fund (798) TOTAL	\$171,000	\$(95,235)	\$75,765		\$75,765	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 1 Construction and Conveyance Tax Fund (377)						
Ending Fund Balance Adjustment: Rebudget		\$(242,000)	\$(242,000)			\$(242,000)
Fund Balance Reconciliation					\$1,046,117	\$(1,046,117)
Fund Balance Reconciliation		\$1,046,117	\$1,046,117			\$1,046,117
Rebudget: Calabazas Community Center Renovation	\$134,000		\$134,000			\$134,000
Rebudget: Council District 1 Public Art	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Gleason Park Improvements	\$50,000		\$50,000			\$50,000
Rebudget: Gullo Park Improvements	\$2,000		\$2,000			\$2,000
Rebudget: Gullo Park Renovation	\$12,000		\$12,000			\$12,000
Rebudget: Murdock Park Improvements	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Pueblo de Dios Master Plan and Design	\$10,000		\$10,000			\$10,000
Rebudget: Saratoga Creek Dog Park Renovation	\$39,000		\$39,000			\$39,000
Clean-Up and Rebudget Actions TOTAL	\$242,000	\$804,117	\$1,046,117		\$1,046,117	
Council District 1 Construction and Conveyance Tax Fund (377) TOTAL	\$242,000	\$804,117	\$1,046,117		\$1,046,117	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 10 Construction and Conveyance Tax Fund (389)						
Ending Fund Balance Adjustment: Rebudgets		\$(124,000)	\$(124,000)			\$(124,000)
Fund Balance Reconciliation					\$393,174	\$(393,174)
Fund Balance Reconciliation		\$393,174	\$393,174			\$393,174
Rebudget: Almaden Lake Park Playground Improvements	\$74,000		\$74,000			\$74,000
Rebudget: Almaden Winery Fundraising Feasibility Study	\$50,000		\$50,000			\$50,000
Clean-Up and Rebudget Actions TOTAL	\$124,000	\$269,174	\$393,174		\$393,174	
Council District 10 Construction and Conveyance Tax Fund (389) TOTAL	\$124,000	\$269,174	\$393,174		\$393,174	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Council District 2 Construction and Conveyance Tax Fund (378)						
Ending Fund Balance Adjustment: Rebudgets		\$(85,000)	\$(85,000)			\$(85,000)
Fund Balance Reconciliation					\$464,093	\$(464,093)
Fund Balance Reconciliation		\$464,093	\$464,093			\$464,093
Rebudget: Danna Rock Park Youth Lot	\$3,000		\$3,000			\$3,000
Rebudget: Ramac Park Turf Replacement	\$6,000		\$6,000			\$6,000
Rebudget: Southside Community Center Restroom Renovation	\$61,000		\$61,000			\$61,000
Rebudget: Southside Community Center Security Improvements	\$15,000		\$15,000			\$15,000
Clean-Up and Rebudget Actions TOTAL	\$85,000	\$379,093	\$464,093		\$464,093	
Ending Fund Balance Adjustment		\$68,000	\$68,000			\$68,000
La Colina Park Playground Renovation	\$(68,000)		\$(68,000)			\$(68,000)
Budget Adjustments TOTAL	\$(68,000)	\$68,000				
Council District 2 Construction and Conveyance Tax Fund (378) TOTAL	\$17,000	\$447,093	\$464,093		\$464,093	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Council District 3 Construction and Conveyance Tax Fund (380)						
Ending Fund Balance Adjustment: Rebudgets		\$(44,000)	\$(44,000)			\$(44,000)
Fund Balance Reconciliation					\$767,590	\$(767,590)
Fund Balance Reconciliation		\$767,590	\$767,590			\$767,590
Rebudget: Council District 3 Public Art	\$(8,000)		\$(8,000)			\$(8,000)
Rebudget: Ryland Dog Park Renovation	\$50,000		\$50,000			\$50,000
Rebudget: TRAIL: Coyote Creek (Brokaw Road to Union Pacific Railroad Corridor) Design	\$3,000		\$3,000			\$3,000
Rebudget: TRAIL: Five Wounds Development (Story Road to Whitton Avenue)	\$(6,000)		\$(6,000)			\$(6,000)
Rebudget: Watson Park Mitigation	\$5,000		\$5,000			\$5,000
Clean-Up and Rebudget Actions TOTAL	\$44,000	\$723,590	\$767,590		\$767,590	
Ending Fund Balance Adjustment		\$(40,000)	\$(40,000)			\$(40,000)
St. James Park Phase I Design	\$40,000		\$40,000			\$40,000
Budget Adjustments TOTAL	\$40,000	\$(40,000)				
Council District 3 Construction and Conveyance Tax Fund (380) TOTAL	\$84,000	\$683,590	\$767,590		\$767,590	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 4 Construction and Conveyance Tax Fund (381)						
Ending Fund Balance Adjustment: Rebudgets		\$727,000	\$727,000			\$727,000
Fund Balance Reconciliation					\$(418,455)	\$418,455
Fund Balance Reconciliation		\$(418,455)	\$(418,455)			\$(418,455)
Rebudget: Agnews Road Easement	\$(1,000,000)		\$(1,000,000)			\$(1,000,000)
Rebudget: Alviso Park Improvements	\$263,000		\$263,000			\$263,000
Rebudget: Council District 4 Minor Building Renovations	\$(18,000)		\$(18,000)			\$(18,000)
Rebudget: Council District 4 Park Amenities	\$38,000		\$38,000			\$38,000
Rebudget: Penitencia Creek Dog Park	\$(17,000)		\$(17,000)			\$(17,000)
Rebudget: TRAIL: Penitencia Creek Reach 1B (Noble Avenue to Dorel Drive)	\$7,000		\$7,000			\$7,000
Clean-Up and Rebudget Actions TOTAL	\$(727,000)	\$308,545	\$(418,455)		\$(418,455)	
Council District 4 Construction and Conveyance Tax Fund (381) TOTAL	\$(727,000)	\$308,545	\$(418,455)		\$(418,455)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 5 Construction and Conveyance Tax Fund (382)						
Ending Fund Balance Adjustment: Rebudgets		\$(81,000)	\$(81,000)			\$(81,000)
Fund Balance Reconciliation					\$933,431	\$(933,431)
Fund Balance Reconciliation		\$933,431	\$933,431			\$933,431
Rebudget: All Inclusive Playground - Emma Prusch	\$(13,000)		\$(13,000)			\$(13,000)
Rebudget: Alum Rock Youth Center Renovations	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Council District 5 Minor Building Renovations	\$(17,000)		\$(17,000)			\$(17,000)
Rebudget: Emma Prusch Park Security Improvements	\$9,000		\$9,000			\$9,000
Rebudget: Hank Lopez Neighborhood Center Improvements	\$14,000		\$14,000			\$14,000
Rebudget: Nancy Lane Tot Lot	\$15,000		\$15,000			\$15,000
Rebudget: TRAIL: Lower Silver Creek Reach 4/5A	\$76,000		\$76,000			\$76,000
Clean-Up and Rebudget Actions TOTAL	\$81,000	\$852,431	\$933,431		\$933,431	
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL	\$81,000	\$852,431	\$933,431		\$933,431	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 6 Construction and Conveyance Tax Fund (384)						
Ending Fund Balance Adjustment: Rebudgets		\$(356,000)	\$(356,000)			\$(356,000)
Fund Balance Reconciliation					\$1,202,602	\$(1,202,602)
Fund Balance Reconciliation		\$1,202,602	\$1,202,602			\$1,202,602
Rebudget: Cahill Park Improvements	\$50,000		\$50,000			\$50,000
Rebudget: Council District 6 Minor Building Renovations	\$(8,000)		\$(8,000)			\$(8,000)
Rebudget: Council District 6 Public Art	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Del Monte Park Expansion Phase III Land Acquisition	\$130,000		\$130,000			\$130,000
Rebudget: Del Monte Park Phase III Master Plan and Design	\$275,000		\$275,000			\$275,000
Rebudget: Lincoln Glen Park Playground Renovation	\$(65,000)		\$(65,000)			\$(65,000)
Rebudget: River Glen Park Improvements	\$(25,000)		\$(25,000)			\$(25,000)
Clean-Up and Rebudget Actions TOTAL	\$356,000	\$846,602	\$1,202,602		\$1,202,602	
Council District 6 Construction and Conveyance Tax Fund (384) TOTAL	\$356,000	\$846,602	\$1,202,602		\$1,202,602	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 7 Construction and Conveyance Tax Fund (385)						
Ending Fund Balance Adjustment: Rebudgets		\$(162,000)	\$(162,000)			\$(162,000)
Fund Balance Reconciliation					\$2,047,463	\$(2,047,463)
Fund Balance Reconciliation		\$2,047,463	\$2,047,463			\$2,047,463
Rebudget: Alma Park Master Plan and Design	\$150,000		\$150,000			\$150,000
Rebudget: Bellevue Park Playground	\$4,000		\$4,000			\$4,000
Rebudget: Council District 7 Public Art	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Fair Swim Center Improvements	\$3,000		\$3,000			\$3,000
Rebudget: Midfield Avenue Linear Park Contribution	\$(6,000)		\$(6,000)			\$(6,000)
Rebudget: Solari Park Improvements	\$(18,000)		\$(18,000)			\$(18,000)
Rebudget: Thank You Monument	\$49,000		\$49,000			\$49,000
Rebudget: TRAIL: Coyote Creek (Story Rd Intersection/Trail Enhancements)	\$(6,000)		\$(6,000)			\$(6,000)
Rebudget: TRAIL: Coyote Creek Fish Passage Remediation and Pedestrian Bridge (Singleton)	\$(13,000)		\$(13,000)			\$(13,000)
Clean-Up and Rebudget Actions TOTAL	\$162,000	\$1,885,463	\$2,047,463		\$2,047,463	
Council District 7 Construction and Conveyance Tax Fund (385) TOTAL	\$162,000	\$1,885,463	\$2,047,463		\$2,047,463	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 8 Construction and Conveyance Tax Fund (386)						
Ending Fund Balance Adjustment: Rebudgets		\$(173,000)	\$(173,000)			\$(173,000)
Fund Balance Reconciliation					\$761,222	\$(761,222)
Fund Balance Reconciliation		\$761,222	\$761,222			\$761,222
Rebudget: Boggini Park Tot Lot	\$23,000		\$23,000			\$23,000
Rebudget: Groesbeck Park Improvements	\$(28,000)		\$(28,000)			\$(28,000)
Rebudget: Meadowfair Park Master Plan	\$150,000		\$150,000			\$150,000
Rebudget: Meadowfair Park Tot Lot	\$28,000		\$28,000			\$28,000
Clean-Up and Rebudget Actions TOTAL	\$173,000	\$588,222	\$761,222		\$761,222	
Ending Fund Balance Adjustment		\$(89,000)	\$(89,000)			\$(89,000)
Welch Park Playground Improvements	\$89,000		\$89,000			\$89,000
Budget Adjustments TOTAL	\$89,000	\$(89,000)				
Council District 8 Construction and Conveyance Tax Fund (386) TOTAL	\$262,000	\$499,222	\$761,222		\$761,222	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Council District 9 Construction and Conveyance Tax Fund (388)						
Ending Fund Balance Adjustment: Rebudgets		\$(393,000)	\$(393,000)			\$(393,000)
Fund Balance Reconciliation					\$1,148,030	\$(1,148,030)
Fund Balance Reconciliation		\$1,148,030	\$1,148,030			\$1,148,030
Rebudget: Branham Park Improvements	\$3,000		\$3,000			\$3,000
Rebudget: Butcher Park Playlot Renovation	\$10,000		\$10,000			\$10,000
Rebudget: Kirk Community Center Improvements	\$250,000		\$250,000			\$250,000
Rebudget: Paul Moore Park Improvements	\$130,000		\$130,000			\$130,000
Clean-Up and Rebudget Actions TOTAL	\$393,000	\$755,030	\$1,148,030		\$1,148,030	
Council District 9 Construction and Conveyance Tax Fund (388) TOTAL	\$393,000	\$755,030	\$1,148,030		\$1,148,030	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Emma Prusch Fund (131)						
Fund Balance Reconciliation					\$33,730	\$(33,730)
Fund Balance Reconciliation		\$33,730	\$33,730			\$33,730
Clean-Up and Rebudget Actions TOTAL		\$33,730	\$33,730		\$33,730	
Emma Prusch Fund (131) TOTAL		\$33,730	\$33,730		\$33,730	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Fire Construction and Conveyance Tax Fund (392)						
Ending Fund Balance Adjustment: Rebudgets		\$ (93,000)	\$ (93,000)			\$ (93,000)
Fund Balance Reconciliation					\$ 1,570,073	\$ (1,570,073)
Fund Balance Reconciliation		\$ 1,570,073	\$ 1,570,073			\$ 1,570,073
Rebudget: Facilities Improvement	\$ 7,000		\$ 7,000			\$ 7,000
Rebudget: Fire Apparatus Replacement	\$ (3,000)		\$ (3,000)			\$ (3,000)
Rebudget: Fire Data System	\$ 10,000		\$ 10,000			\$ 10,000
Rebudget: Fire Station Alert System	\$ 4,000		\$ 4,000			\$ 4,000
Rebudget: Measure T - Fire Station 37	\$ 47,000		\$ 47,000			\$ 47,000
Rebudget: Personal Protective Equipment Program	\$ 19,000		\$ 19,000			\$ 19,000
Rebudget: Underground Fuel Tank Compliance	\$ 9,000		\$ 9,000			\$ 9,000
Clean-Up and Rebudget Actions TOTAL	\$ 93,000	\$ 1,477,073	\$ 1,570,073		\$ 1,570,073	
Emergency Fire Equipment Reserve	\$ 1,400,000		\$ 1,400,000			\$ 1,400,000
Ending Fund Balance Adjustment		\$ (1,400,000)	\$ (1,400,000)			\$ (1,400,000)
Fire Station 20 FF&E	\$ 24,000		\$ 24,000			\$ 24,000
New Fire Station FF&E Reserve	\$ (24,000)		\$ (24,000)			\$ (24,000)
Budget Adjustments TOTAL	\$ 1,400,000	\$ (1,400,000)				
Fire Construction and Conveyance Tax Fund (392)						
TOTAL	\$ 1,493,000	\$ 77,073	\$ 1,570,073		\$ 1,570,073	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
General Purpose Parking Capital Fund (559)						
Ending Fund Balance Adjustment: Rebudgets		\$(3,237,000)	\$(3,237,000)			\$(3,237,000)
Fund Balance Reconciliation					\$5,681,243	\$(5,681,243)
Fund Balance Reconciliation		\$5,681,243	\$5,681,243			\$5,681,243
Rebudget: Garage Elevator Upgrades	\$2,048,000		\$2,048,000			\$2,048,000
Rebudget: Garage Façade Improvements	\$14,000		\$14,000			\$14,000
Rebudget: Greater Downtown Parking Inventory	\$98,000		\$98,000			\$98,000
Rebudget: Public Art	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Revenue Control & Meter Upgrade	\$39,000		\$39,000			\$39,000
Rebudget: Security Improvements	\$1,040,000		\$1,040,000			\$1,040,000
Clean-Up and Rebudget Actions TOTAL	\$3,237,000	\$2,444,243	\$5,681,243		\$5,681,243	
Ending Fund Balance Adjustment		\$(1,600,000)	\$(1,600,000)			\$(1,600,000)
SAP/Diridon Area Parking and Transportation Reserve	\$1,600,000		\$1,600,000			\$1,600,000
Budget Adjustments TOTAL	\$1,600,000	\$(1,600,000)				
General Purpose Parking Capital Fund (559)						
TOTAL	\$4,837,000	\$844,243	\$5,681,243		\$5,681,243	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Ice Centre Expansion Bond Fund (490)						
Fund Balance Reconciliation					\$14,086,620	\$(14,086,620)
Fund Balance Reconciliation		\$14,086,620	\$14,086,620			\$14,086,620
Clean-Up and Rebudget Actions TOTAL		\$14,086,620	\$14,086,620		\$14,086,620	
Ice Centre Expansion Bond Fund (490) TOTAL		\$14,086,620	\$14,086,620		\$14,086,620	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	ENDING FUND	TOTAL USE	SOURCE	BEG FUND	NET COST
	Expense	Balance		Revenue	Balance	
Improvement District Fund (599)						
Fund Balance Reconciliation					\$189	\$(189)
Fund Balance Reconciliation		\$189	\$189			\$189
Clean-Up and Rebudget Actions TOTAL		\$189	\$189		\$189	
Improvement District Fund (599) TOTAL		\$189	\$189		\$189	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Lake Cunningham Fund (462)						
Ending Fund Balance Adjustment: Rebudgets		\$(5,000)	\$(5,000)			\$(5,000)
Fund Balance Reconciliation					\$149,413	\$(149,413)
Fund Balance Reconciliation		\$149,413	\$149,413			\$149,413
Rebudget: Lake Cunningham Regional Park Infrastructure	\$9,000		\$9,000			\$9,000
Rebudget: Lake Cunningham Shoreline Study	\$(4,000)		\$(4,000)			\$(4,000)
Clean-Up and Rebudget Actions TOTAL	\$5,000	\$144,413	\$149,413		\$149,413	
Lake Cunningham Fund (462) TOTAL	\$5,000	\$144,413	\$149,413		\$149,413	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Library Construction and Conveyance Tax Fund (393)						
Ending Fund Balance: Rebudgets		\$(593,000)	\$(593,000)			\$(593,000)
Fund Balance Reconciliation					\$10,063,683	\$(10,063,683)
Fund Balance Reconciliation		\$10,063,683	\$10,063,683			\$10,063,683
Rebudget: Acquisition of Materials	\$53,000		\$53,000			\$53,000
Rebudget: Branch Efficiency Projects	\$23,000		\$23,000			\$23,000
Rebudget: Facilities Improvement - Library	\$122,000		\$122,000			\$122,000
Rebudget: General Equipment and Furnishings	\$351,000		\$351,000			\$351,000
Rebudget: Mobile Maker[Space]ship Vehicle	\$44,000		\$44,000			\$44,000
Clean-Up and Rebudget Actions TOTAL	\$593,000	\$9,470,683	\$10,063,683		\$10,063,683	
Library Construction and Conveyance Tax Fund (393) TOTAL	\$593,000	\$9,470,683	\$10,063,683		\$10,063,683	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Library Parcel Tax Capital Fund (483)						
Ending Fund Balance Adjustment: Rebudgets		\$(641,000)	\$(641,000)			\$(641,000)
Fund Balance Reconciliation					\$764,099	\$(764,099)
Fund Balance Reconciliation		\$764,099	\$764,099			\$764,099
Rebudget: Acquisition of Materials	\$414,000		\$414,000			\$414,000
Rebudget: Automation Projects and System Maintenance	\$227,000		\$227,000			\$227,000
Clean-Up and Rebudget Actions TOTAL	\$641,000	\$123,099	\$764,099		\$764,099	
Library Parcel Tax Capital Fund (483) TOTAL	\$641,000	\$123,099	\$764,099		\$764,099	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Major Collectors and Arterials Fund (421)						
Fund Balance Reconciliation					\$56,461	\$(56,461)
Fund Balance Reconciliation		\$56,461	\$56,461			\$56,461
Clean-Up and Rebudget Actions TOTAL		\$56,461	\$56,461		\$56,461	
Major Collectors and Arterials Fund (421) TOTAL		\$56,461	\$56,461		\$56,461	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Major Facilities Fund (502)						
Ending Fund Balance Adjustment: Rebudgets		\$1,920,000	\$1,920,000			\$1,920,000
Fund Balance Reconciliation					\$(1,903,920)	\$1,903,920
Fund Balance Reconciliation		\$(1,903,920)	\$(1,903,920)			\$(1,903,920)
Rebudget: North San José Well Development and Construction	\$(1,920,000)		\$(1,920,000)			\$(1,920,000)
Clean-Up and Rebudget Actions TOTAL	\$(1,920,000)	\$16,080	\$(1,903,920)		\$(1,903,920)	
 Major Facilities Fund (502) TOTAL	 \$(1,920,000)	 \$16,080	 \$(1,903,920)		 \$(1,903,920)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	SOURCE	NET COST
	Expense	Revenue	
	Ending Fund Balance	Beg Fund Balance	
	Total Use		
Measure T: Public Safety and Infrastructure Bond Fund (498)			
Ending Fund Balance Adjustment: Rebudgets (Municipal Improvements)	\$(988,000)		\$(988,000)
Ending Fund Balance Adjustment: Rebudgets (Parks and Community Facilities Development)	\$(438,000)		\$(438,000)
Ending Fund Balance Adjustment: Rebudgets (Public Safety)	\$(3,498,000)		\$(3,498,000)
Ending Fund Balance Adjustment: Rebudgets (Storm Sewer System)	\$(1,120,000)		\$(1,120,000)
Ending Fund Balance Adjustment: Rebudgets (Traffic)	\$(35,436,000)		\$(35,436,000)
Fund Balance Reconciliation (Municipal Improvements)		\$822,020	\$(822,020)
Fund Balance Reconciliation (Municipal Improvements)	\$822,020	\$822,020	\$822,020
Fund Balance Reconciliation (Parks)		\$410,915	\$(410,915)
Fund Balance Reconciliation (Parks)	\$410,915	\$410,915	\$410,915
Fund Balance Reconciliation (Public Safety)		\$730,025	\$(730,025)
Fund Balance Reconciliation (Public Safety)	\$730,025	\$730,025	\$730,025
Fund Balance Reconciliation (Storm Sewer)		\$548,653	\$(548,653)
Fund Balance Reconciliation (Storm Sewer)	\$548,653	\$548,653	\$548,653
Fund Balance Reconciliation (Traffic)		\$40,732,222	\$(40,732,222)
Fund Balance Reconciliation (Traffic)	\$40,732,222	\$40,732,222	\$40,732,222
Rebudget: Measure T - Bridges	\$3,179,000		\$3,179,000
Rebudget: Measure T - City Facilities LED Lighting	\$967,000		\$967,000
Rebudget: Measure T - Clean Water Projects	\$(74,000)		\$(74,000)
Rebudget: Measure T - Community Centers / Emergency Centers	\$438,000		\$438,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Measure T: Public Safety and Infrastructure Bond Fund (498)						
Rebudget: Measure T - Emergency Operations Center	\$863,000		\$863,000			\$863,000
Rebudget: Measure T - Environmental Protection	\$21,000		\$21,000			\$21,000
Rebudget: Measure T - Fire Station 20	\$(36,000)		\$(36,000)			\$(36,000)
Rebudget: Measure T - Fire Station 32	\$2,968,000		\$2,968,000			\$2,968,000
Rebudget: Measure T - Fire Station 37	\$(115,000)		\$(115,000)			\$(115,000)
Rebudget: Measure T - Fire Station 8	\$2,716,000		\$2,716,000			\$2,716,000
Rebudget: Measure T - LED Streetlight Conversion	\$1,424,000		\$1,424,000			\$1,424,000
Rebudget: Measure T - Police 911 Call Center Upgrades	\$12,000		\$12,000			\$12,000
Rebudget: Measure T - Police Headquarters Infrastructure Upgrades	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Measure T - Police Training Center Relocation	\$29,000		\$29,000			\$29,000
Rebudget: Measure T - Public Art Public Safety	\$(23,000)		\$(23,000)			\$(23,000)
Rebudget: Measure T - Public Art Storm Sewer	\$28,000		\$28,000			\$28,000
Rebudget: Measure T - Storm Drain Improvements at Charcot Ave	\$1,166,000		\$1,166,000			\$1,166,000
Rebudget: Measure T- Fire Station 23	\$24,000		\$24,000			\$24,000
Rebudget: Measure T Fire Station 36	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Measure T- Police Air Support Hangar	\$(134,000)		\$(134,000)			\$(134,000)
Rebudget: Other Revenue (575 E Santa Clara St Env. Remediation Proceeds)				\$2,500,000		\$(2,500,000)
Rebudget: Pavement Maintenance - Measure T Bond	\$30,833,000		\$30,833,000			\$30,833,000
Rebudget: Revenue from Local Agencies (575 E Santa Clara St Property Sale Proceeds)				\$300,000		\$(300,000)
Clean-Up and Rebudget Actions TOTAL	\$44,280,000	\$1,763,835	\$46,043,835	\$2,800,000	\$43,243,835	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

**Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal**

Department/Proposal	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Measure T: Public Safety and Infrastructure Bond Fund (498)						
Measure T - Emergency Operations Center Relocation	\$4,200,000		\$4,200,000			\$4,200,000
Measure T - Program Reserve (Public Safety)	\$(4,200,000)		\$(4,200,000)			\$(4,200,000)
Budget Adjustments TOTAL						
Measure T: Public Safety and Infrastructure Bond Fund (498) TOTAL	\$44,280,000	\$1,763,835	\$46,043,835	\$2,800,000	\$43,243,835	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Neighborhood Security Bond Fund (475)						
Ending Fund Balance Adjustment: Rebudgets		\$(7,269)	\$(7,269)			\$(7,269)
Fund Balance Reconciliation					\$32,310	\$(32,310)
Fund Balance Reconciliation		\$32,310	\$32,310			\$32,310
Rebudget: Measure O Fire Facilities Remediation	\$7,269		\$7,269			\$7,269
Clean-Up and Rebudget Actions TOTAL	\$7,269	\$25,041	\$32,310		\$32,310	
Ending Fund Balance Adjustment		\$(25,041)	\$(25,041)			\$(25,041)
Fire Facilities Remediation	\$25,041		\$25,041			\$25,041
Budget Adjustments TOTAL	\$25,041	\$(25,041)				
Neighborhood Security Bond Fund (475) TOTAL	\$32,310		\$32,310		\$32,310	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Park Yards Construction and Conveyance Tax Fund (398)						
Ending Fund Balance Adjustment: Rebudgets		\$(194,000)	\$(194,000)			\$(194,000)
Fund Balance Reconciliation					\$405,008	\$(405,008)
Fund Balance Reconciliation		\$405,008	\$405,008			\$405,008
Rebudget: Emma Prusch Park Security Improvements	\$9,000		\$9,000			\$9,000
Rebudget: Guadalupe River Park and Gardens Park Yard Expansion	\$42,000		\$42,000			\$42,000
Rebudget: Happy Hollow Park and Zoo Maintenance Yard Electric Security Gate	\$39,000		\$39,000			\$39,000
Rebudget: Lake Cunningham Park Yard Renovation	\$104,000		\$104,000			\$104,000
Clean-Up and Rebudget Actions TOTAL	\$194,000	\$211,008	\$405,008		\$405,008	
Park Yards Construction and Conveyance Tax Fund (398) TOTAL	\$194,000	\$211,008	\$405,008		\$405,008	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Parks and Recreation Bond Projects Fund (471)						
Ending Fund Balance Adjustment: Rebudgets		\$113,000	\$113,000			\$113,000
Fund Balance Reconciliation					\$106,381	\$(106,381)
Fund Balance Reconciliation		\$106,381	\$106,381			\$106,381
Rebudget: All Inclusive Playground - Emma Prusch	\$14,000		\$14,000			\$14,000
Rebudget: Columbus Park Soccer Facility	\$(129,000)		\$(129,000)			\$(129,000)
Rebudget: Public Art - Parks and Recreation Bond Projects	\$2,000		\$2,000			\$2,000
Clean-Up and Rebudget Actions TOTAL	\$(113,000)	\$219,381	\$106,381		\$106,381	
Parks and Recreation Bond Projects Fund (471)						
TOTAL	\$(113,000)	\$219,381	\$106,381		\$106,381	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Parks Central Construction and Conveyance Tax Fund (390)						
Ending Fund Balance Adjustment: Rebudgets		\$(713,000)	\$(713,000)			\$(713,000)
Fund Balance Reconciliation					\$1,909,538	\$(1,909,538)
Fund Balance Reconciliation		\$1,909,538	\$1,909,538			\$1,909,538
Rebudget: Ball Fields Renovation	\$20,000		\$20,000			\$20,000
Rebudget: Financing Strategy Feasibility Study	\$76,000		\$76,000			\$76,000
Rebudget: Major Park Equipment	\$(9,000)		\$(9,000)			\$(9,000)
Rebudget: Parks and Community Facilities Development Office	\$500,000		\$500,000			\$500,000
Rebudget: Parks Maintenance District Feasibility Study	\$30,000		\$30,000			\$30,000
Rebudget: Unanticipated or Critical Repairs	\$96,000		\$96,000			\$96,000
Clean-Up and Rebudget Actions TOTAL	\$713,000	\$1,196,538	\$1,909,538		\$1,909,538	
Parks Central Construction and Conveyance Tax Fund (390) TOTAL	\$713,000	\$1,196,538	\$1,909,538		\$1,909,538	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Parks City-Wide Construction and Conveyance Tax Fund (391)						
Ending Fund Balance Adjustment: Rebudgets		\$(409,000)	\$(409,000)			\$(409,000)
Fund Balance Reconciliation					\$3,356,031	\$(3,356,031)
Fund Balance Reconciliation		\$3,356,031	\$3,356,031			\$3,356,031
Rebudget: 2017 Flood - Administrative Cost	\$84,000		\$84,000			\$84,000
Rebudget: 2017 Flood - Alum Rock Park Mineral Springs Bridge Embankment	\$(20,000)		\$(20,000)			\$(20,000)
Rebudget: 2017 Flood - Alum Rock Park Service Road Repairs and Reconstruction	\$8,000		\$8,000			\$8,000
Rebudget: 2017 Flood - Alum Rock Park Trestle Repair	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: 2017 Flood - Alum Rock Park Visitors Center	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: 2017 Flood - Family Camp Playground Shade Structure & Retaining Wall	\$(101,000)		\$(101,000)			\$(101,000)
Rebudget: 2017 Flood - Japanese Friendship Garden Koi Pond & Pump House	\$(89,000)		\$(89,000)			\$(89,000)
Rebudget: 2017 Flood - Japanese Friendship Garden Tea House	\$104,000		\$104,000			\$104,000
Rebudget: 2017 Flood - Kelley Park Outfall	\$33,000		\$33,000			\$33,000
Rebudget: All Inclusive Playground - Emma Prusch	\$1,000		\$1,000			\$1,000
Rebudget: Alum Rock Park Youth Science Institute Building	\$28,000		\$28,000			\$28,000
Rebudget: Arcadia Softball Facility Fixtures, Furnishings and Equipment	\$4,000		\$4,000			\$4,000
Rebudget: Community Network Upgrade	\$(10,000)		\$(10,000)			\$(10,000)
Rebudget: Emma Prusch Park Security Improvements	\$35,000		\$35,000			\$35,000
Rebudget: Family Camp Capital Improvements	\$8,000		\$8,000			\$8,000
Rebudget: Family Camp Infrastructure Renovations	\$64,000		\$64,000			\$64,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Parks City-Wide Construction and Conveyance Tax Fund (391)						
Rebudget: Family-Friendly City Facilities	\$188,000		\$188,000			\$188,000
Rebudget: Fellowships (Knight Foundation)	\$40,000		\$40,000			\$40,000
Rebudget: Happy Hollow Park and Zoo Security Improvements	\$10,000		\$10,000			\$10,000
Rebudget: Japanese Friendship Garden Improvements	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Kelley Park Master Plan	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Kelley Park Minor Improvements	\$89,000		\$89,000			\$89,000
Rebudget: Non-Profit Partner Support Evaluation Study	\$100,000		\$100,000			\$100,000
Rebudget: Overfelt Master Plan	\$26,000		\$26,000			\$26,000
Rebudget: TRAIL: Coyote Creek (Story Road to Tully Road)	\$(183,000)		\$(183,000)			\$(183,000)
Clean-Up and Rebudget Actions TOTAL	\$409,000	\$2,947,031	\$3,356,031		\$3,356,031	
Ending Fund Balance Adjustment		\$(2,510,000)	\$(2,510,000)			\$(2,510,000)
Infrastructure Backlog Reserve	\$2,500,000		\$2,500,000			\$2,500,000
Kelley Park Master Plan	\$10,000		\$10,000			\$10,000
Matching Grant Reimbursement Reserve	\$(50,000)		\$(50,000)			\$(50,000)
TRAIL: Five Wounds Development (Story Road to Whitton Avenue)	\$50,000		\$50,000			\$50,000
Budget Adjustments TOTAL	\$2,510,000	\$(2,510,000)				
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL	\$2,919,000	\$437,031	\$3,356,031		\$3,356,031	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Residential Construction Tax Contribution Fund (420)						
Fund Balance Reconciliation					\$408,556	\$(408,556)
Fund Balance Reconciliation		\$408,556	\$408,556			\$408,556
Clean-Up and Rebudget Actions TOTAL		\$408,556	\$408,556		\$408,556	
Residential Construction Tax Contribution Fund (420) TOTAL		\$408,556	\$408,556		\$408,556	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
San José-Santa Clara Treatment Plant Capital Fund (512)						
Ending Fund Balance Adjustment: Rebudgets		\$84,382,000	\$84,382,000			\$84,382,000
Fund Balance Reconciliation					\$(109,309,823)	\$109,309,823
Fund Balance Reconciliation		\$(109,309,823)	\$(109,309,823)			\$(109,309,823)
Rebudget: Advanced Facility Control and Meter Replacement	\$49,000		\$49,000			\$49,000
Rebudget: Aeration Tanks and Blower Rehabilitation	\$(12,000)		\$(12,000)			\$(12,000)
Rebudget: Digested Sludge Dewatering Facility	\$1,224,000		\$1,224,000			\$1,224,000
Rebudget: Digester and Thickener Facilities Upgrade	\$299,000		\$299,000			\$299,000
Rebudget: Energy Generation Improvements	\$242,000		\$242,000			\$242,000
Rebudget: Facility Wide Water Systems Improvements	\$35,000		\$35,000			\$35,000
Rebudget: Filter Rehabilitation	\$12,000		\$12,000			\$12,000
Rebudget: Financing Proceeds (Wastewater Revenue Notes)				\$89,551,000		\$(89,551,000)
Rebudget: Flood Protection	\$13,000		\$13,000			\$13,000
Rebudget: Headworks Improvements	\$56,000		\$56,000			\$56,000
Rebudget: New Headworks	\$168,000		\$168,000			\$168,000
Rebudget: Nitrification Clarifier Rehabilitation	\$769,000		\$769,000			\$769,000
Rebudget: Outfall Channel and Instrumentation Improvements	\$97,000		\$97,000			\$97,000
Rebudget: Owner Controlled Insurance Program	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Plant Electrical Reliability	\$165,000		\$165,000			\$165,000
Rebudget: Storm Drain System Improvements	\$19,000		\$19,000			\$19,000
Rebudget: Support Building Improvements	\$122,000		\$122,000			\$122,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
San José-Santa Clara Treatment Plant Capital Fund (512)						
Rebudget: Treatment Plant Distributed Control System	\$213,000		\$213,000			\$213,000
Rebudget: Yard Piping and Road Improvements	\$1,702,000		\$1,702,000			\$1,702,000
Clean-Up and Rebudget Actions TOTAL	\$5,169,000	\$(24,927,823)	\$(19,758,823)	\$89,551,000	\$(109,309,823)	
Ending Fund Balance Adjustment		\$24,900,000	\$24,900,000			\$24,900,000
Financing Proceeds (Wastewater Revenue Notes)				\$24,900,000		\$(24,900,000)
Budget Adjustments TOTAL		\$24,900,000	\$24,900,000	\$24,900,000		
San José-Santa Clara Treatment Plant Capital Fund (512) TOTAL	\$5,169,000	\$(27,823)	\$5,141,177	\$114,451,000	\$(109,309,823)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

Department/Proposal	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Sanitary Sewer Connection Fee Fund (540)						
Ending Fund Balance Adjustment: Rebudgets		\$200,000	\$200,000			\$200,000
Fund Balance Reconciliation					\$357,305	\$(357,305)
Fund Balance Reconciliation		\$357,305	\$357,305			\$357,305
Rebudget: Sierra Road Sanitary Sewer Improvement	\$(200,000)		\$(200,000)			\$(200,000)
Clean-Up and Rebudget Actions TOTAL	\$(200,000)	\$557,305	\$357,305		\$357,305	
Sanitary Sewer Connection Fee Fund (540) TOTAL	\$(200,000)	\$557,305	\$357,305		\$357,305	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Service Yards Construction and Conveyance Tax Fund (395)						
Fund Balance Reconciliation					\$1,259,440	\$(1,259,440)
Fund Balance Reconciliation		\$1,259,440	\$1,259,440			\$1,259,440
Clean-Up and Rebudget Actions TOTAL		\$1,259,440	\$1,259,440		\$1,259,440	
Service Yards Construction and Conveyance Tax Fund (395) TOTAL		\$1,259,440	\$1,259,440		\$1,259,440	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	ENDING FUND	TOTAL USE	SOURCE	NET COST
	Expense	Balance		Revenue	Beg Fund Balance
Sewer Service and Use Charge Capital Improvement Fund (545)					
Ending Fund Balance Adjustment: Rebudgets		\$(200,000)	\$(200,000)		\$(200,000)
Fund Balance Reconciliation				\$27,907,704	\$(27,907,704)
Fund Balance Reconciliation		\$27,907,704	\$27,907,704		\$27,907,704
Rebudget: 60 inch Brick Interceptor, Phase VIA and VIB	\$(73,000)		\$(73,000)		\$(73,000)
Rebudget: Almaden Supplement Sewer Rehabilitation (North)	\$68,000		\$68,000		\$68,000
Rebudget: Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement	\$95,000		\$95,000		\$95,000
Rebudget: Miscellaneous Capacity Improvements	\$41,000		\$41,000		\$41,000
Rebudget: Public Art Allocation	\$(37,000)		\$(37,000)		\$(37,000)
Rebudget: Rehabilitation of Sanitary Sewer Pump Stations	\$88,000		\$88,000		\$88,000
Rebudget: Sierra Road Sanitary Sewer Improvement	\$(88,000)		\$(88,000)		\$(88,000)
Rebudget: Westmont Avenue and Harriet Avenue Sanitary Sewer Improvements	\$106,000		\$106,000		\$106,000
Clean-Up and Rebudget Actions TOTAL	\$200,000	\$27,707,704	\$27,907,704		\$27,907,704
Sewer Service and Use Charge Capital Improvement Fund (545) TOTAL	\$200,000	\$27,707,704	\$27,907,704		\$27,907,704

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	ENDING FUND	TOTAL USE	SOURCE	BEG FUND	NET COST
	Expense	Balance		Revenue	Balance	
South Bay Water Recycling Capital Fund (571)						
Fund Balance Reconciliation					\$12,471	\$(12,471)
Fund Balance Reconciliation		\$12,471	\$12,471			\$12,471
Clean-Up and Rebudget Actions TOTAL		\$12,471	\$12,471		\$12,471	
South Bay Water Recycling Capital Fund (571)						
TOTAL		\$12,471	\$12,471		\$12,471	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Storm Drainage Fee Fund (413)						
Fund Balance Reconciliation					\$(108,183)	\$108,183
Fund Balance Reconciliation		\$(108,183)	\$(108,183)			\$(108,183)
Clean-Up and Rebudget Actions TOTAL		\$(108,183)	\$(108,183)		\$(108,183)	
Storm Drainage Fee Fund (413) TOTAL		\$(108,183)	\$(108,183)		\$(108,183)	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Storm Sewer Capital Fund (469)						
Ending Fund Balance Adjustment: Rebudgets		\$724,000	\$724,000			\$724,000
Fund Balance Reconciliation					\$1,484,377	\$(1,484,377)
Fund Balance Reconciliation		\$1,484,377	\$1,484,377			\$1,484,377
Rebudget: Revenue from State of California (Association of Bay Area Governments (ABAG) Grants)				\$1,518,000		\$(1,518,000)
Rebudget: River Oaks Regional Stormwater Capture Project	\$1,006,000		\$1,006,000			\$1,006,000
Rebudget: Storm Sewer Improvements	\$(212,000)		\$(212,000)			\$(212,000)
Clean-Up and Rebudget Actions TOTAL	\$794,000	\$2,208,377	\$3,002,377	\$1,518,000	\$1,484,377	
Storm Sewer Capital Fund (469) TOTAL	\$794,000	\$2,208,377	\$3,002,377	\$1,518,000	\$1,484,377	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE		SOURCE Revenue	NET COST
	Expense	Ending Fund Balance		
Subdivision Park Trust Fund (375)				
Ending Fund Balance Adjustment: Future PDO/PIO Projects Reserve		\$(8,605,214)	\$(8,605,214)	\$(8,605,214)
Ending Fund Balance Adjustment: Rebudgets		\$(3,354,000)	\$(3,354,000)	\$(3,354,000)
Fund Balance Reconciliation				\$11,959,214
Fund Balance Reconciliation		\$11,959,214	\$11,959,214	\$11,959,214
Future PDO/PIO Projects Reserve	\$8,605,214		\$8,605,214	\$8,605,214
Rebudget: Agnews Property Development	\$202,000		\$202,000	\$202,000
Rebudget: All Inclusive Playground - Almaden Lake Park	\$71,000		\$71,000	\$71,000
Rebudget: All Inclusive Playground - Lincoln Glen	\$(12,000)		\$(12,000)	\$(12,000)
Rebudget: All Inclusive Playground - Rotary Playgarden Phase II	\$45,000		\$45,000	\$45,000
Rebudget: Backesto Park Tot and Youth Lots	\$18,000		\$18,000	\$18,000
Rebudget: Berryessa Community Center Renovations	\$31,000		\$31,000	\$31,000
Rebudget: Branham Park Improvements	\$14,000		\$14,000	\$14,000
Rebudget: Bruzzone Way Park Design Review and Inspection	\$(4,000)		\$(4,000)	\$(4,000)
Rebudget: Camden Community Center Improvements	\$5,000		\$5,000	\$5,000
Rebudget: Capitol Turnkey Park Design Review and Inspection	\$13,000		\$13,000	\$13,000
Rebudget: Council District 3 Property Acquisition	\$390,000		\$390,000	\$390,000
Rebudget: Del Monte Park Phase III Master Plan and Design	\$390,000		\$390,000	\$390,000
Rebudget: Discovery Dog Park Improvements	\$50,000		\$50,000	\$50,000
Rebudget: Fair Swim Center Improvements	\$19,000		\$19,000	\$19,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds

Recommended Budget Adjustments and Clean-Up/Rebudget Actions

2020-2021 Annual Report

Department/Proposal

	USE		Total Use	SOURCE		NET COST
	Expense	Ending Fund Balance		Revenue	Beg Fund Balance	
Subdivision Park Trust Fund (375)						
Rebudget: iStar Great Oaks Park Design Review and Inspection	\$106,000		\$106,000			\$106,000
Rebudget: Japantown Park Public Art	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Mercado Park Design Review and Inspection	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Municipal Rose Garden Improvements	\$(61,000)		\$(61,000)			\$(61,000)
Rebudget: Newbury Park Development	\$150,000		\$150,000			\$150,000
Rebudget: North San Pedro Area Parks Master Plans	\$461,000		\$461,000			\$461,000
Rebudget: Payne Avenue Park Phase I	\$(18,000)		\$(18,000)			\$(18,000)
Rebudget: PDO Valuation Updates	\$40,000		\$40,000			\$40,000
Rebudget: Pellier Park	\$175,000		\$175,000			\$175,000
Rebudget: Penitencia Creek Dog Park	\$40,000		\$40,000			\$40,000
Rebudget: Ramac Park Turf Replacement	\$5,000		\$5,000			\$5,000
Rebudget: River Glen Park Improvements	\$(7,000)		\$(7,000)			\$(7,000)
Rebudget: Rotary Playgarden Parking Lot Lift Station	\$15,000		\$15,000			\$15,000
Rebudget: Ryland Pool Improvements	\$(16,000)		\$(16,000)			\$(16,000)
Rebudget: Santana Park Master Plan	\$250,000		\$250,000			\$250,000
Rebudget: Southside Community Center Renovations	\$517,000		\$517,000			\$517,000
Rebudget: Southside Community Center Youth Shade Structure	\$80,000		\$80,000			\$80,000
Rebudget: St. James Park Design	\$51,000		\$51,000			\$51,000
Rebudget: Tamien Park Development (Phase II)	\$115,000		\$115,000			\$115,000
Rebudget: Thousand Oaks Park Minor Improvements	\$4,000		\$4,000			\$4,000
Rebudget: TRAIL: Coyote Creek (Mabury Road to Empire Street)	\$73,000		\$73,000			\$73,000

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	SOURCE	NET COST
	Expense	Revenue	Beg Fund Balance
	Ending Fund Balance	Total Use	Balance
Subdivision Park Trust Fund (375)			
Rebudget: TRAIL: Coyote Creek (Story Road to Selma Olinder Park)	\$(30,000)		\$(30,000)
Rebudget: TRAIL: Coyote Creek (Story Road to Tully Road)	\$(1,000)		\$(1,000)
Rebudget: TRAIL: Guadalupe River Under-crossing (Coleman Road) Design	\$6,000		\$6,000
Rebudget: TRAIL: Los Gatos Reach 5 B/C Under-crossing Design	\$8,000		\$8,000
Rebudget: TRAIL: Three Creeks Lonus Street to Coe Avenue	\$8,000		\$8,000
Rebudget: Willow Glen Community Center Improvements	\$57,000		\$57,000
Rebudget: Willow Glen Community Center Plumbing Improvements	\$98,000		\$98,000
Clean-Up and Rebudget Actions TOTAL	\$11,959,214	\$11,959,214	\$11,959,214
Future PDO/PIO Projects Reserve	\$(991,000)		\$(991,000)
St. James Park Phase I Design	\$20,000		\$20,000
TRAIL: Five Wounds Land Acquisition Reserve	\$(350,000)		\$(350,000)
TRAIL: Five Wounds Trestle Study	\$350,000		\$350,000
TRAIL: Three Creek Lonus Extension Construction Reserve	\$1,200,000		\$1,200,000
Watson Park Improvements	\$(140,000)		\$(140,000)
Welch Park Playground Improvements	\$(89,000)		\$(89,000)
Budget Adjustments TOTAL			
Subdivision Park Trust Fund (375) TOTAL	\$11,959,214	\$11,959,214	\$11,959,214

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE	ENDING FUND	TOTAL USE	SOURCE	BEG FUND	NET COST
	Expense	Balance		Revenue	Balance	
Underground Utility Fund (416)						
Fund Balance Reconciliation					\$1,208,872	\$(1,208,872)
Fund Balance Reconciliation		\$1,208,872	\$1,208,872			\$1,208,872
Clean-Up and Rebudget Actions TOTAL		\$1,208,872	\$1,208,872		\$1,208,872	
Underground Utility Fund (416) TOTAL		\$1,208,872	\$1,208,872		\$1,208,872	

IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS

Capital Funds
Recommended Budget Adjustments and Clean-Up/Rebudget Actions
2020-2021 Annual Report
Department/Proposal

	USE Expense	Ending Fund Balance	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
Water Utility Capital Fund (500)						
Ending Fund Balance Adjustment: Rebudgets		\$(634,000)	\$(634,000)			\$(634,000)
Fund Balance Reconciliation					\$1,213,179	\$(1,213,179)
Fund Balance Reconciliation		\$1,213,179	\$1,213,179			\$1,213,179
Rebudget: Annual Water Main Replacement	\$29,000		\$29,000			\$29,000
Rebudget: Facility Sites Improvement	\$269,000		\$269,000			\$269,000
Rebudget: Fowler Pump Station Replacement	\$13,000		\$13,000			\$13,000
Rebudget: Infrastructure Improvements	\$440,000		\$440,000			\$440,000
Rebudget: North San José Reliability Well Construction	\$(1,134,000)		\$(1,134,000)			\$(1,134,000)
Rebudget: Public Art Funding	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Safety and Security Improvements	\$286,000		\$286,000			\$286,000
Rebudget: Water Resources Administration & Operations Facility	\$733,000		\$733,000			\$733,000
Clean-Up and Rebudget Actions TOTAL	\$634,000	\$579,179	\$1,213,179		\$1,213,179	
Water Utility Capital Fund (500) TOTAL	\$634,000	\$579,179	\$1,213,179		\$1,213,179	

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V. FINANCIAL STATEMENTS



FINANCE DEPARTMENT

Monthly Financial Report

Financial Results for the Month Ended June 30, 2021

Fiscal Year 2020-2021

(UNAUDITED)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended June 30, 2021
Fiscal Year 2020-2021
(UNAUDITED)

Table of Contents

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

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended June 30, 2021
Fiscal Year 2020-2021
(UNAUDITED)

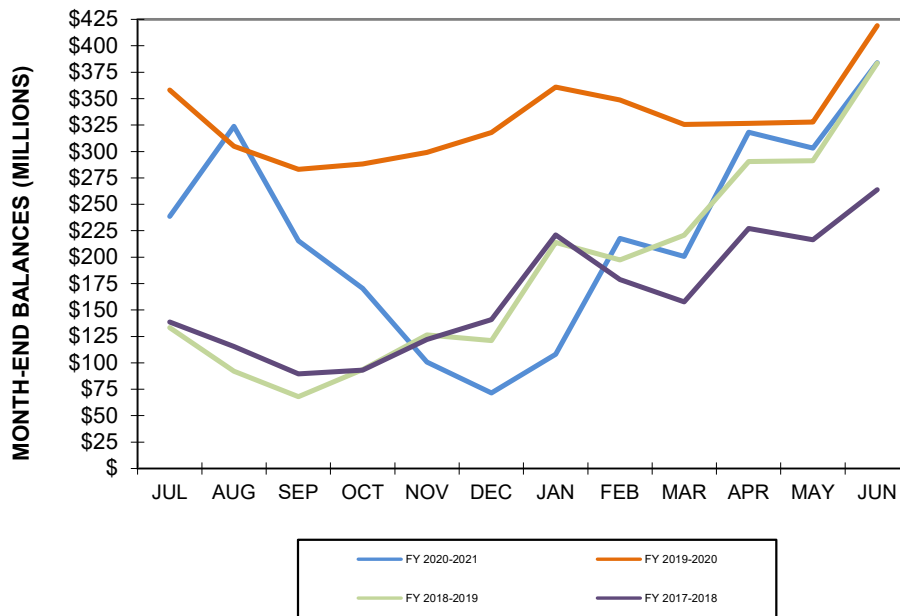
Table of Contents

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

Submitted by:

/s/
JULIA H. COOPER
Director, Finance
Department

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



GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2020-2021	FY 2019-2020	FY 2018-2019	FY 2017-2018
JULY ⁽¹⁾	\$ 238,661,153	\$ 358,057,314	133,276,057	\$ 138,576,379
AUGUST ^(2,3)	323,738,458	304,849,235	91,972,139	115,540,880
SEPTEMBER ^(2,3,4)	215,370,108	283,092,234	67,970,290	89,537,017
OCTOBER ⁽⁴⁾	170,467,897	288,196,905	93,654,030	93,031,593
NOVEMBER ^(5,6)	100,622,899	299,006,136	126,316,418	122,022,698
DECEMBER ^(4,6)	71,502,262	317,868,572	121,024,958	140,886,445
JANUARY ^(4,7,8)	108,130,590	360,969,681	214,000,120	220,937,707
FEBRUARY ^(4,8)	217,629,193	348,806,133	197,277,698	178,836,751
MARCH ⁽⁸⁾	200,717,737	325,495,352	220,734,066	157,759,493
APRIL ^(4,7,8)	318,260,683	326,537,038	290,493,766	227,063,040
MAY ⁽⁶⁾	303,297,059	327,914,999	291,171,986	216,439,757
JUNE ^(5,8)	384,019,042	419,046,570	383,572,703	263,800,843

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

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

(3) Due to a posting error, \$71.0 million in personnel expenditures for two August 2020 pay periods was not captured until September 2020.

(4) The General Fund paid back the Tax Revenue Anticipation Notes (TRAN) debt of \$13.5 million in September 2020, \$26.4 million in October 2020, \$13.2 million in December 2020, \$13.2 million in January 2021, \$39.2 million in February 2021, and \$26.1 million in April 2021.

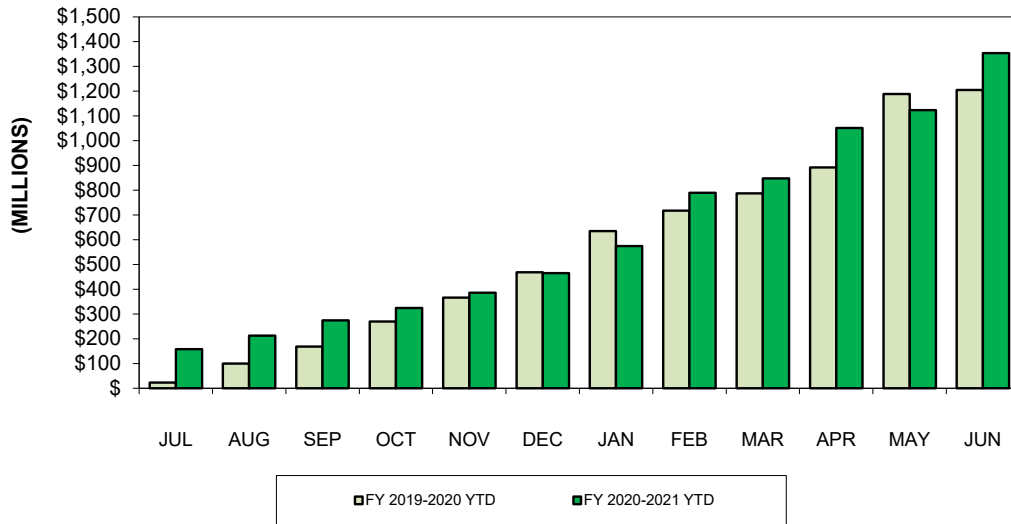
(5) The General Fund paid back the Energy Services Company (ESCO) debt of \$12.7 million in November 2020 and \$0.5 million in June 2021. There was only \$3 million paid in FY2019-2020.

(6) The General Fund transferred \$56.0 million to the newly established Development Funds (Funds 237 - 242) in FY2021. No such transfer occurred for these funds in FY2020. In addition, the FY2020 Development Funds' revenue of \$30.7 million was recorded in General Fund, which is now recorded in the Development Funds in FY2021.

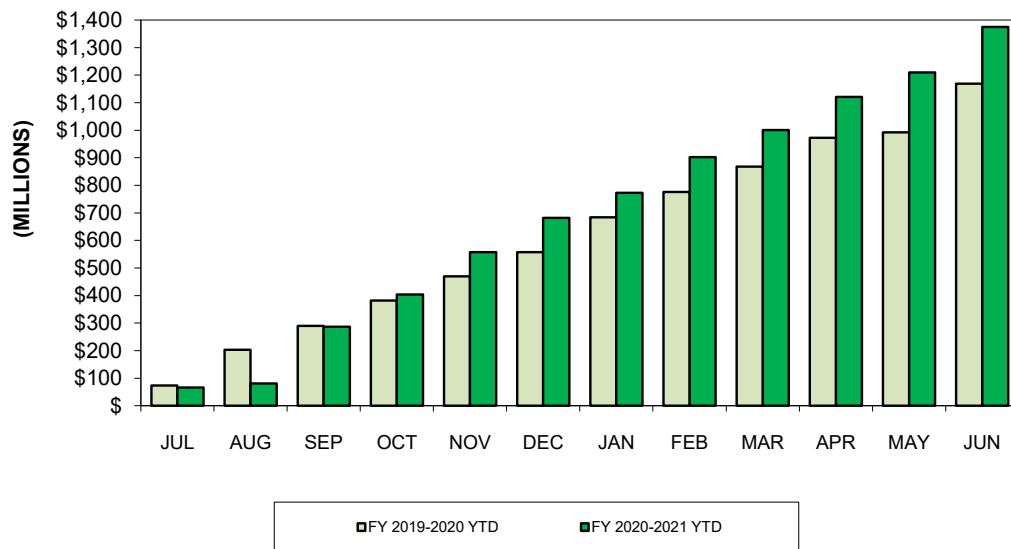
(7) The General Fund cash balance generally increases in January and April of every year mainly due to the bi-annual receipt of property taxes from Santa Clara County.

(8) The General Fund received property tax of \$37.8 million in January 2021, \$143.2 million in February 2021, \$124.9 million in April 2021, \$8.8 million in May 2021, and \$83.3 million in June 2021; compared to \$14.2 million in October 2019, \$30.7 million in November 2019, \$38.8 million in December 2019, \$90.4 million in January 2020, \$13.2 million in March 2020, \$46.5 million in April 2020, \$56.8 million in May 2020, and \$62.8 million in June 2020. The variance is primarily due to timing differences in posting property tax receipts and vehicle license fees.

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



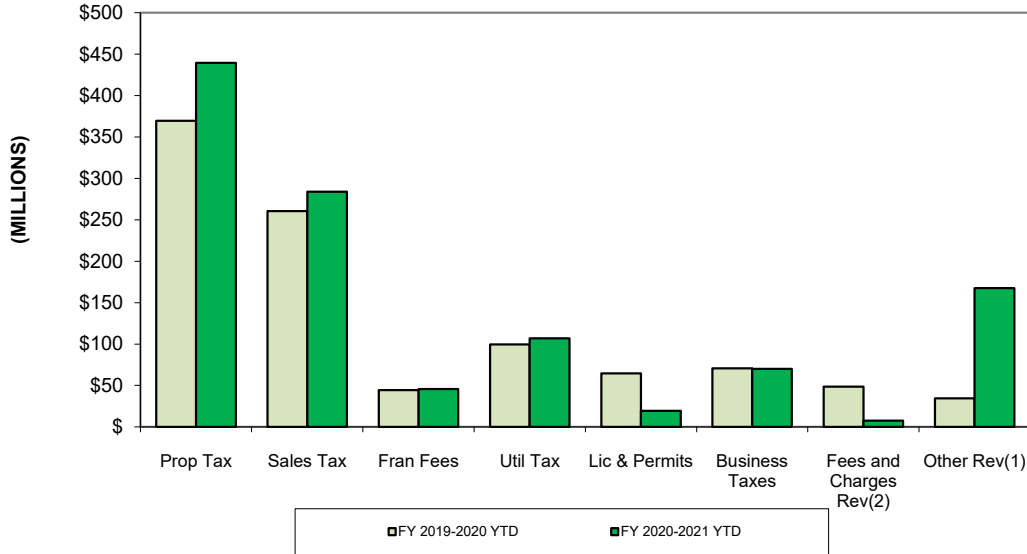
**GENERAL FUND
Comparison of YTD Expenditures vs. Prior YTD Expenditures
Actual**



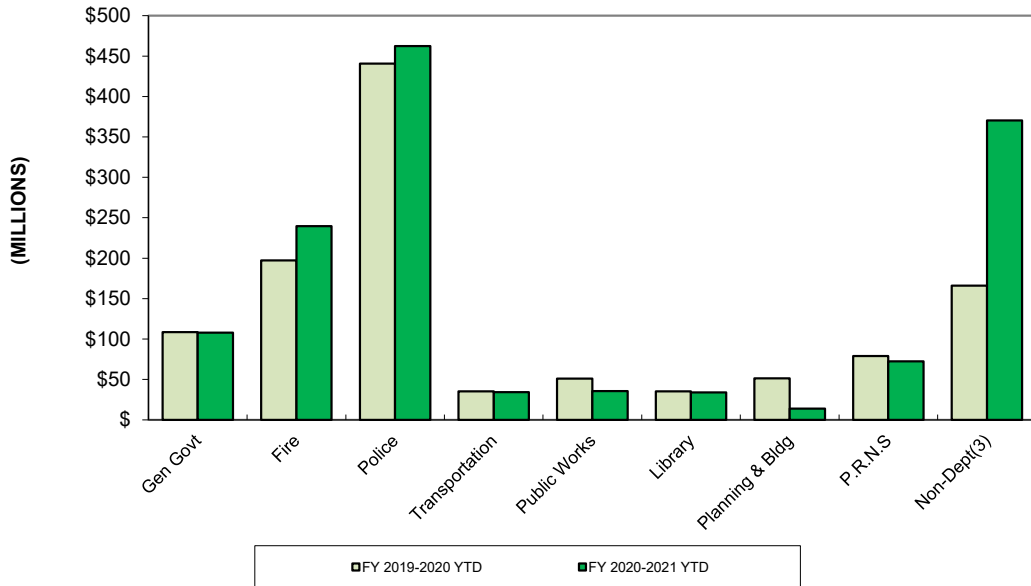
Note: 1) Increase in revenues is due to \$130 million received in TRAN proceeds and \$17.8 million received in bond proceeds for the Financing Authority Taxable Lease Revenue Bonds, Series 2020A (Civic Center Refunding Project).

2) Increase in expenditures is due to the payback of the TRAN debt of \$13.5 million in September 2020, \$26.4 million in October 2020, \$13.2 million in December 2020, \$13.2 million in January 2021, \$39.2 million in February 2021, and \$26.1 million in April 2021. There was no TRAN debt payback in FY2019-2020. The General Fund also paid back the ESCO debt of \$12.7 million in November 2020 and \$0.5 million in June 2021. There was only \$3 million paid in FY2019-2020. In addition, the General Fund transferred \$56.0 million to the newly established Development Funds (Funds 237 - 242) in FY2021. No such transfer occurred for these funds in FY2020.

**GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual**



**GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual**



Note: 1) Increase in other revenues is due to \$130 million received in TRAN proceeds and \$17.8 million received in bond proceeds for the Financing Authority Taxable Lease Revenue Bonds, Series 2020A (Civic Center Refunding Project).

2) Decrease in Fees and Charges revenue is due to a reduction in services due to the COVID-19 shelter-in-place lockdown. In addition, the FY2020 Development Funds' revenue of \$30.7 million was recorded in General Fund, which is now recorded in the Development Funds (Funds 237 - 242) in FY2021.

3) Increase in non-dept expenditures is due to the payback of the TRAN debt of \$13.5 million in September 2020, \$26.4 million in October 2020, \$13.2 million in December 2020, \$13.2 million in January 2021, \$39.2 million in February 2021, and \$26.1 million in April 2021. There was no TRAN debt payback in FY2019-2020. The General Fund also paid back the ESCO debt of \$12.7 million in November 2020 and \$0.5 million in June 2021. There was only \$3 million paid in FY2019-2020. In addition, the General Fund transferred \$56.0 million to the newly established Development Funds (Funds 237 - 242) in FY2021. No such transfer occurred for these funds in FY2020.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)

	ADOPTED FY 2020-2021 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2020-2021 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Fund Balance											
Prior Year Encumbrances	-	-	46,451	46,451	46,451	100.00%	44,187	100.00%	44,187	2,264	5.12%
Available Balance	346,336	53,948	-	400,284	400,284	100.00%	364,813	100.00%	364,813	35,471	9.72%
Total Fund Balance	346,336	53,948	46,451	446,735	446,735	100.00%	409,000	100.00%	409,000	37,735	9.23%
General Revenues											
Property Tax	400,500	29,000	-	429,500	439,291	102.28%	369,507	100.00%	369,507	69,784	18.89%
Sales Tax	242,500	20,000	-	262,500	284,020	108.20%	260,558	100.00%	260,558	23,462	9.00%
Telephone Line Tax	20,000	-	-	20,000	20,873	104.37%	20,695	100.00%	20,695	178	0.86%
Transient Occupancy Tax	9,000	(3,500)	-	5,500	5,409	98.35%	14,104	100.00%	14,104	(8,695)	-61.65%
Franchise Fees	45,921	0	-	45,921	45,628	99.36%	44,436	100.00%	44,436	1,192	2.68%
Utility Tax	95,800	-	-	95,800	106,846	111.53%	99,518	100.00%	99,518	7,328	7.36%
Business Taxes	70,900	(7,000)	-	63,900	70,036	109.60%	70,822	100.00%	70,822	(786)	-1.11%
Licenses and Permits	20,023	(129)	-	19,894	19,391	97.47%	64,521	100.00%	64,521	(45,130)	-69.95%
Fines, Forfeits and Penalties	15,730	(6,000)	-	9,730	10,090	103.70%	14,383	100.00%	14,383	(4,293)	-29.85%
Use of Money and Property	11,755	15	-	11,770	8,794	74.72%	14,194	100.00%	14,194	(5,400)	-38.04%
Revenue from Local Agencies	18,195	5,097	-	23,292	20,270	87.03%	15,660	100.00%	15,660	4,610	29.44%
Revenue from State of CA	14,320	6,260	-	20,580	20,598	100.09%	22,512	100.00%	22,512	(1,914)	-8.50%
Revenue from Federal Government	3,715	4,308	-	8,023	3,600	44.87%	2,639	100.00%	2,639	961	36.42%
Fees, Rates and Charges	25,576	(16,825)	-	8,751	7,417	84.76%	48,568	100.00%	48,568	(41,151)	-84.73%
Other Revenues	48,509	144,774	-	193,283	167,442	86.63%	34,505	100.00%	34,505	132,937	385.27%
Total General Revenues	1,042,444	175,999	-	1,218,443	1,229,705	100.92%	1,096,622	100.00%	1,096,622	133,083	12.14%
Transfers & Reimbursements											
Overhead Reimbursements	69,198	(16,182)	-	53,016	51,707	97.53%	57,004	100.00%	57,004	(5,297)	-9.29%
Transfers from Other Funds	27,409	9,838	-	37,247	37,611	100.98%	35,629	100.00%	35,629	1,982	5.56%
Reimbursements for Services	15,745	18,405	-	34,150	34,640	101.43%	16,145	100.00%	16,145	18,495	114.56%
Total Transfers & Reimbursements	112,352	12,061	-	124,413	123,958	99.63%	108,778	100.00%	108,778	15,180	13.96%
Total Sources	1,501,133	242,007	46,451	1,789,591	1,800,398	100.60%	1,614,400	100.00%	1,614,400	185,998	11.52%

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

Note: Figures may not total due to rounding.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE	
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		PRIOR YEAR-END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ACTUAL (*)	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	ACTUAL		ACTUAL (1)(*)	ACTUAL (1)	LESS PRIOR YTD
General Government													
Mayor and Council	16,876	1,806	106	18,788	13,614	174	72.46%	12,298	100.00%	12,298	1,316	10.70%	
City Attorney	16,333	722	1,116	18,171	16,681	1,253	91.80%	17,077	100.00%	17,077	(396)	-2.32%	
City Auditor	2,373	(98)	3	2,278	2,252	6	98.86%	2,139	100.00%	2,139	113	5.28%	
City Clerk	2,414	561	30	3,005	2,577	319	85.76%	2,383	100.00%	2,383	194	8.14%	
City Manager	21,027	(1,814)	1,147	20,360	16,611	1,238	81.59%	16,546	100.00%	16,546	65	0.39%	
Finance	19,392	249	691	20,332	18,015	681	88.60%	17,996	100.00%	17,996	19	0.11%	
Information Technology	25,791	(181)	2,334	27,944	21,582	3,159	77.23%	23,510	100.00%	23,510	(1,928)	-8.20%	
Human Resources	10,453	(267)	214	10,400	9,479	565	91.14%	10,079	100.00%	10,079	(600)	-5.95%	
Independent Police Auditor	1,482	31	-	1,513	1,368	147	90.42%	1,254	100.00%	1,254	114	9.09%	
Office of Economic Development	5,516	808	758	7,082	5,556	623	78.45%	5,174	100.00%	5,174	382	7.38%	
Total General Government	121,657	1,817	6,399	129,873	107,735	8,165	82.95%	108,456	100.00%	108,456	(721)	-0.66%	
Public Safety													
Fire	243,723	(2,322)	500	241,901	239,599	1,433	99.05%	197,305	100.00%	197,305	42,294	21.44%	
Police	455,189	12,304	2,864	470,357	462,198	3,517	98.27%	440,652	99.81%	441,511	21,546	4.89%	
Total Public Safety	698,912	9,982	3,364	712,258	701,797	4,950	98.53%	637,957	99.87%	638,816	63,840	10.01%	
Capital Maintenance													
Transportation	37,300	(49)	685	37,936	34,440	1,197	90.78%	35,412	100.00%	35,412	(972)	-2.74%	
Public Works	36,711	(346)	782	37,147	35,674	1,410	96.03%	51,050	100.00%	51,050	(15,376)	-30.12%	
Total Capital Maintenance	74,011	(395)	1,467	75,083	70,114	2,607	93.38%	86,462	100.00%	86,462	(16,348)	-18.91%	
Community Service													
Housing	566	(23)	317	860	231	135	26.86%	241	100.00%	241	(10)	-4.15%	
Library	36,417	(426)	396	36,387	33,941	1,942	93.28%	35,424	100.00%	35,424	(1,483)	-4.19%	
Planning, Bldg & Code Enf.	15,951	308	833	17,092	14,106	650	82.53%	51,422	100.00%	51,422	(37,316)	-72.57%	
Parks, Rec & Neigh Svcs	82,255	(6,731)	1,916	77,440	72,303	1,723	93.37%	78,996	100.00%	78,996	(6,693)	-8.47%	
Environmental Services	4,730	(344)	239	4,625	4,022	296	86.96%	3,163	100.00%	3,163	859	27.16%	
Total Community Services	139,919	(7,216)	3,701	136,404	124,603	4,746	91.35%	169,246	100.00%	169,246	(44,643)	-26.38%	
Total Dept. Expenditures	1,034,499	4,188	14,931	1,053,618	1,004,249	20,468	95.31%	1,002,121	99.91%	1,002,980	2,128	0.21%	

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

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O ENCUMBR	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END ACTUAL (1)(*)	CUR YTD LESS	% CHANGE	
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		PRIOR YEAR-END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ACTUAL (*)	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	YEAR-END		ACTUAL (1)(*)	ACTUAL (1)	LESS PRIOR YTD ACTUAL
Non-Dept Expenditures													
City-wide Expenditures:													
Econ & Neighborhood Develop.	19,773	8,462	5,600	33,835	17,515	9,552	51.77%	19,069	100.00%	19,069	(1,554)	-8.15%	
Environmental & Utility Services	2,069	317	55	2,441	1,919	56	78.62%	1,910	100.00%	1,910	9	0.47%	
Public Safety	22,722	5,562	1,312	29,596	20,003	799	67.59%	19,760	100.00%	19,760	243	1.23%	
Recreation & Cultural Services	14,244	12,051	565	26,860	17,776	902	66.18%	9,285	100.00%	9,285	8,491	91.45%	
Transportation Services	4,422	220	13	4,655	2,584	6	55.51%	3,336	100.00%	3,336	(752)	-22.54%	
Strategic Support	60,383	167,145	3,430	230,958	194,542	5,402	84.23%	30,554	100.00%	30,554	163,988	536.72%	
Total City-wide Expenditures	123,613	193,757	10,975	328,345	254,339	16,717	77.46%	83,914	100.00%	83,914	170,425	203.09%	
-													
Other Non-Dept Expenditures:													
Capital Improvements	54,442	55,582	20,545	130,569	35,060	19,847	26.85%	33,048	100.00%	33,048	2,012	6.09%	
Transfers to Other Funds	74,103	6,723	-	80,826	80,824	-	100.00%	48,967	100.00%	48,967	31,857	65.06%	
Total Non-Dept Expenditures	252,158	256,062	31,520	539,740	370,223	36,564	68.59%	165,929	100.00%	165,929	204,294	123.12%	
Reserves													
Contingency Reserve	40,000	-	-	40,000	-	-	0.00%	-	0.00%	-	-	0.00%	
Earmarked Reserves	174,477	(18,244)	-	156,233	-	-	0.00%	-	0.00%	-	-	0.00%	
Total Reserves	214,477	(18,244)	-	196,233	-	-	0.00%	-	0.00%	-	-	0.00%	
Total Uses	1,501,133	242,007	46,451	1,789,591	1,374,472	57,032	76.80%	1,168,050	99.93%	1,168,909	206,422	17.67%	

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

Note: Figures may not total due to rounding.

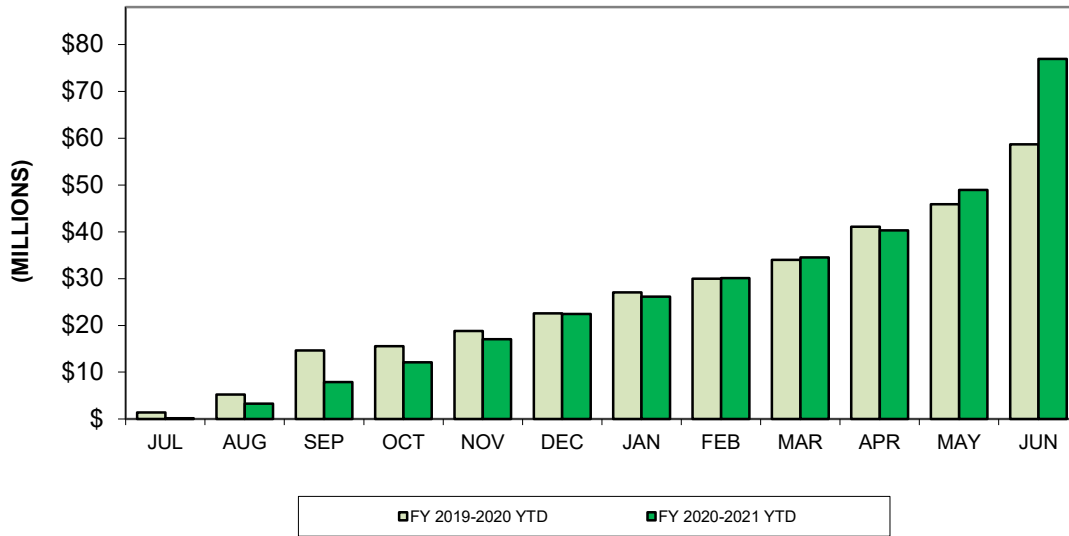
CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

	ADOPTED	YTD		REVISED	CUR	CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-	CUR YTD LESS	% CHANGE
	FY 2020-2021	BUDGET	C/O	FY 2020-2021	YTD	ACTUAL %	YTD	OF PRIOR	END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL (*)	OF BUDGET	ACTUAL (*)	ACTUAL	ACTUAL (*)	ACTUAL	LESS PRIOR YTD
Police	912	-	-	912	728	79.82%	952	100.00%	952	(224)	-23.53%
Public Works	-	-	-	-	275	-	16,668	100.00%	16,668	(16,393)	-98.35%
Transportation	2,324	-	-	2,324	1,094	47.07%	2,370	100.00%	2,370	(1,276)	-53.84%
Library	224	-	-	224	35	15.63%	168	100.00%	168	(133)	-79.17%
Planning, Bldg & Code Enforcement	-	-	-	-	-	-	6,841	100.00%	6,841	(6,841)	-100.00%
Parks Rec & Neigh Svcs	18,075	(16,825)	-	1,250	2,089	167.12%	14,207	100.00%	14,207	(12,118)	-85.30%
Miscellaneous Dept Charges	4,041	-	-	4,041	3,196	79.09%	7,362	100.00%	7,362	(4,166)	-56.59%
Total Fees, Rates, and Charges	25,576	(16,825)	-	8,751	7,417	84.76%	48,568	100.00%	48,568	(41,151)	-84.73%

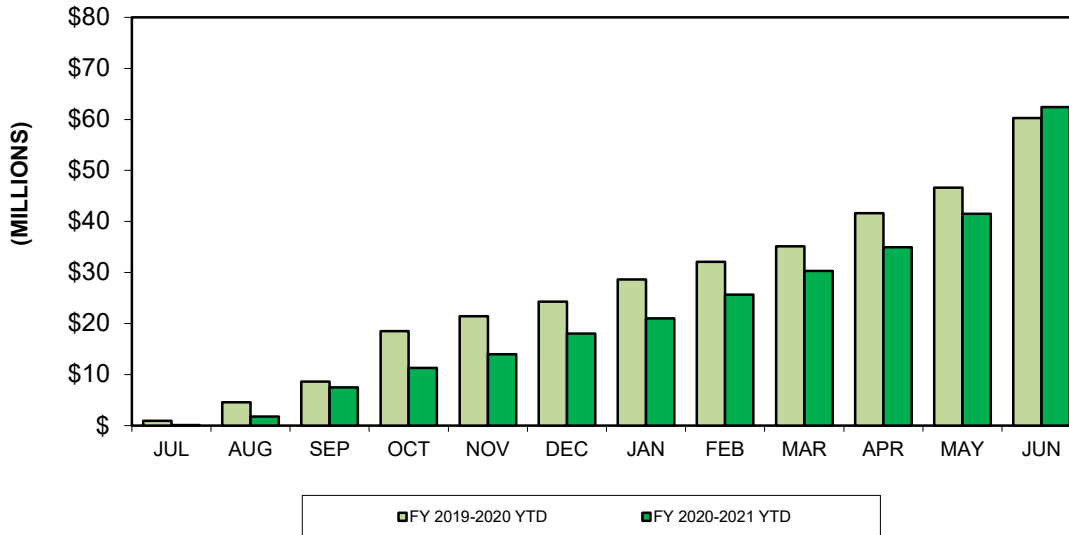
(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis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

Note: Figures may not total due to rounding.

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



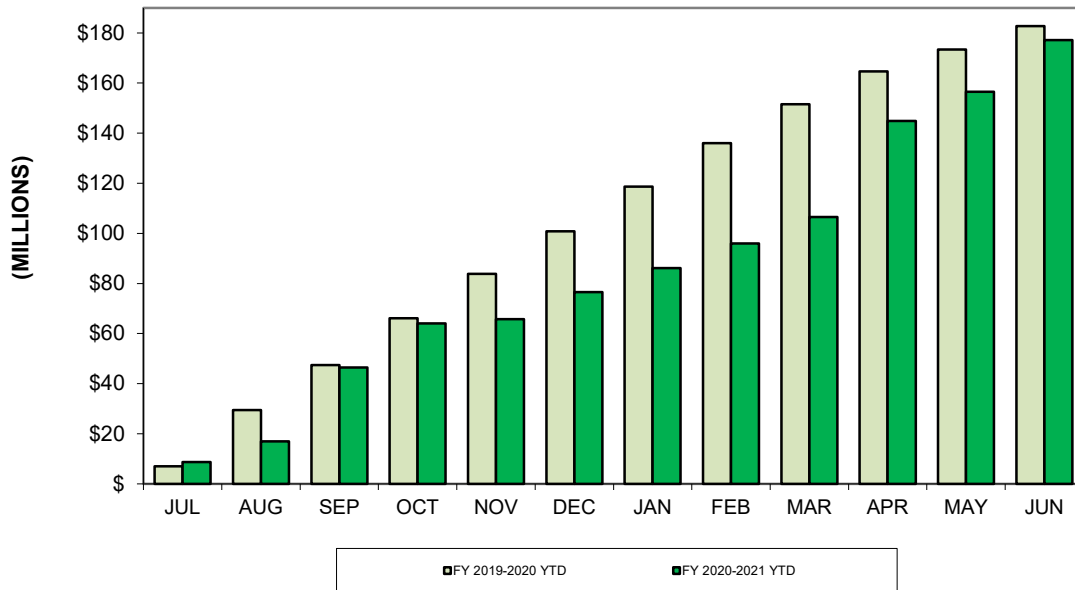
**CONSTRUCTION & CONVEYANCE TAX FUNDS 377-378 & 380-398
Comparison of YTD Expenditures vs. Prior YTD Expenditures**



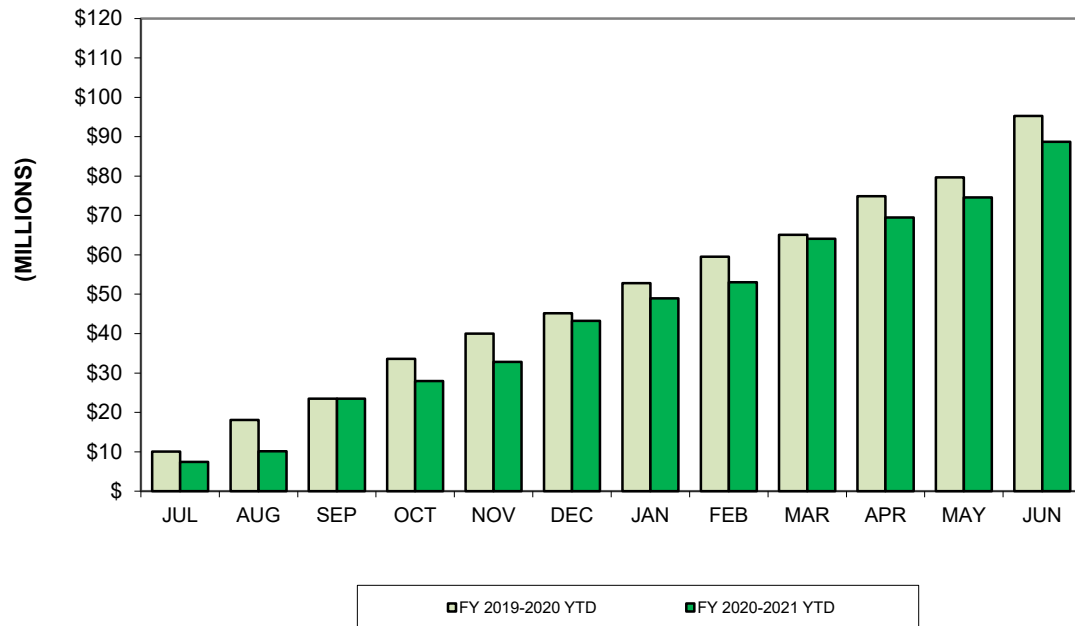
Note: 1) The increase in revenues are due to the following: (1) an increase of \$18.9 million in conveyance tax collected in June 2021 compared to only \$9.4 million collected in June 2020 and (2) an increase of \$10.4 million due to a transfer in from the Construction and Conveyance Tax Fund (390) in June 2021 compared to only \$5.2 million in June 2020. Since real estate activity was extremely strong over FY2021, higher conveyance tax collections occurred.

2) The decrease in expenditures is due to a transfer of \$2.3 million from the Construction and Conveyance Tax Fund: City-wide Parks (391) in October 2019; whereas, there was no transfer in October 2020. \$2.5 million was paid in October 2019 for the 2017 flood commercial paper debt; whereas, only \$24k was paid in October 2020. The increase in expenditures in June 2021 is primarily due to transfers of \$12.4 million from the Construction and Conveyance Tax Fund: Central Fund (390), compared to transfers of \$6.1 million in June 2020.

**AIRPORT REVENUE FUND 521
Comparison of YTD Revenues vs. Prior YTD Revenues**

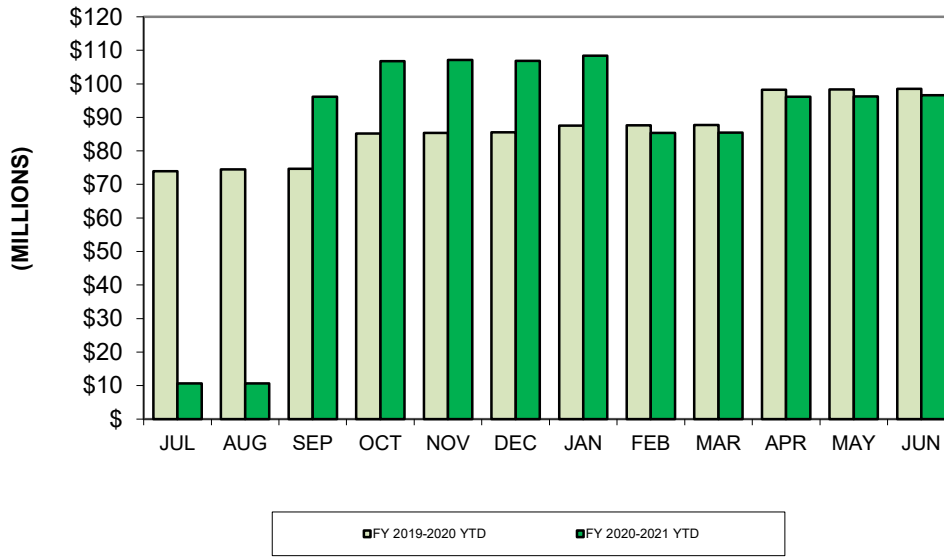


**AIRPORT MAINTENANCE & OPERATION FUND 523
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

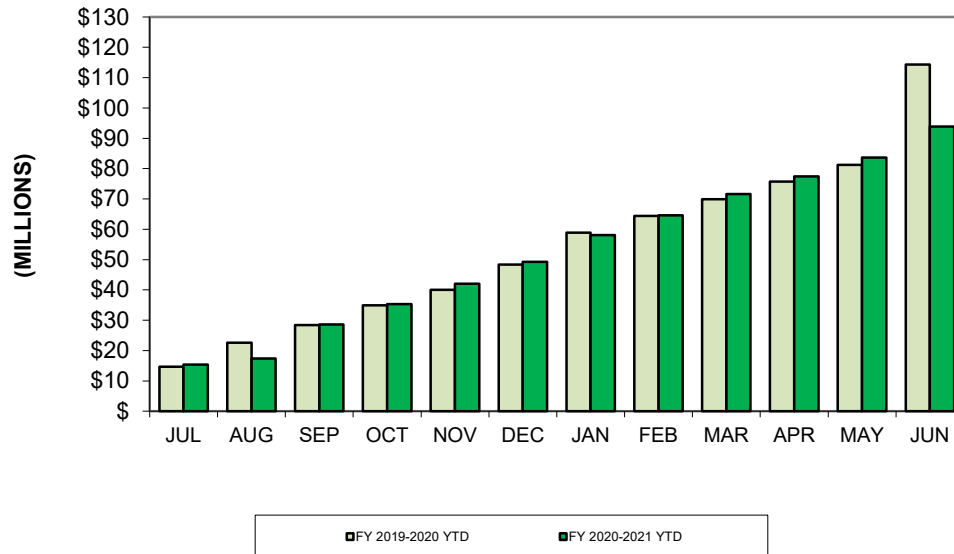


Note: (1) The graphs above include the Airport Revenue Fund (521) and Airport Maintenance & Operation Fund (523) only.
 (2) The Airport received CARES Act grant reimbursement of \$18.9 million in September 2020, \$7.8 million in October 2020, and \$26.8 million in April 2021.

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



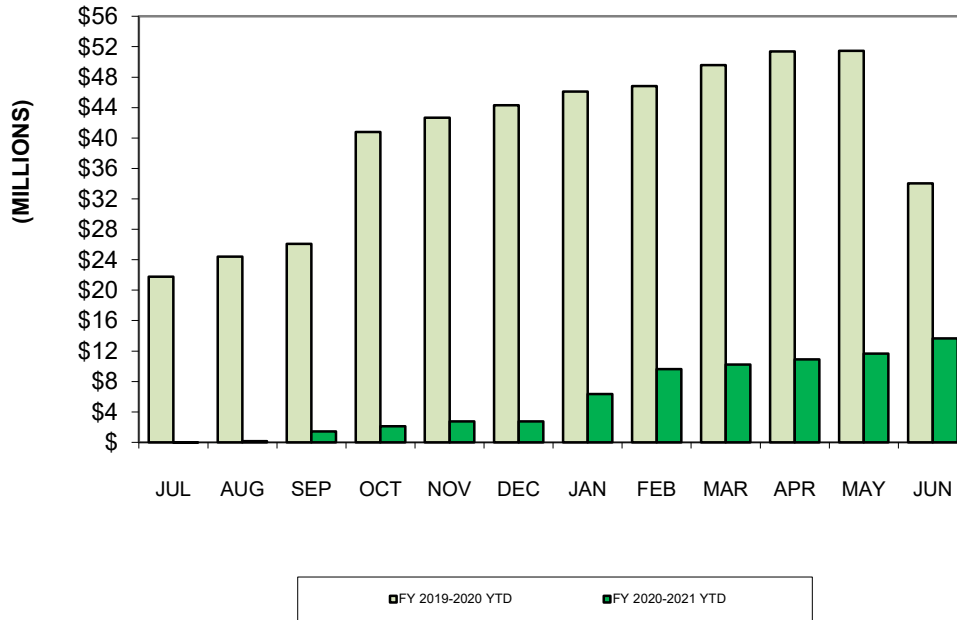
**WPCP OPERATION FUND 513
Comparison of YTD Expenditures vs. Prior YTD Expenditures**



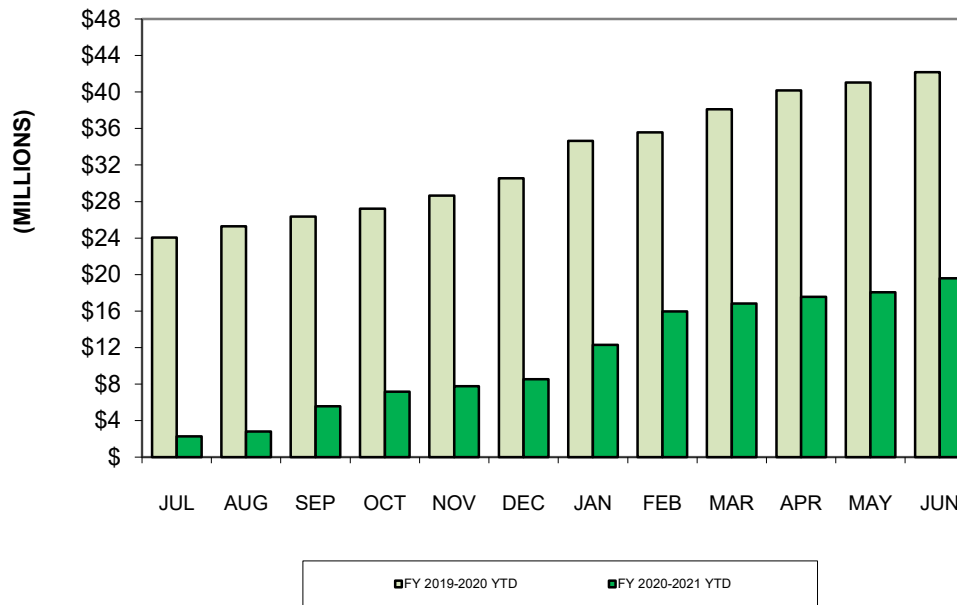
Note: 1) Increase in revenues in September 2020 is due to \$85.5 million transferred in from Sewer Service & Use Charge Fund (541); whereas, \$64 million was transferred in July 2019. Decrease in revenues in February 2021 was due to a reduction in transfers of \$23.2 million from the Sewer Service & Use Charge Fund (541). The primary reason was due to the delay of the Legacy Lagoons project for this fiscal year.

2) Expenditures in June 2021 are lower than prior years due to approximately \$26 million accrued in June 2020 for Pollution Remediation Obligation.

**GENERAL PURPOSE PARKING FUNDS 533 & 559
Comparison of YTD Revenues vs. Prior YTD Revenues**

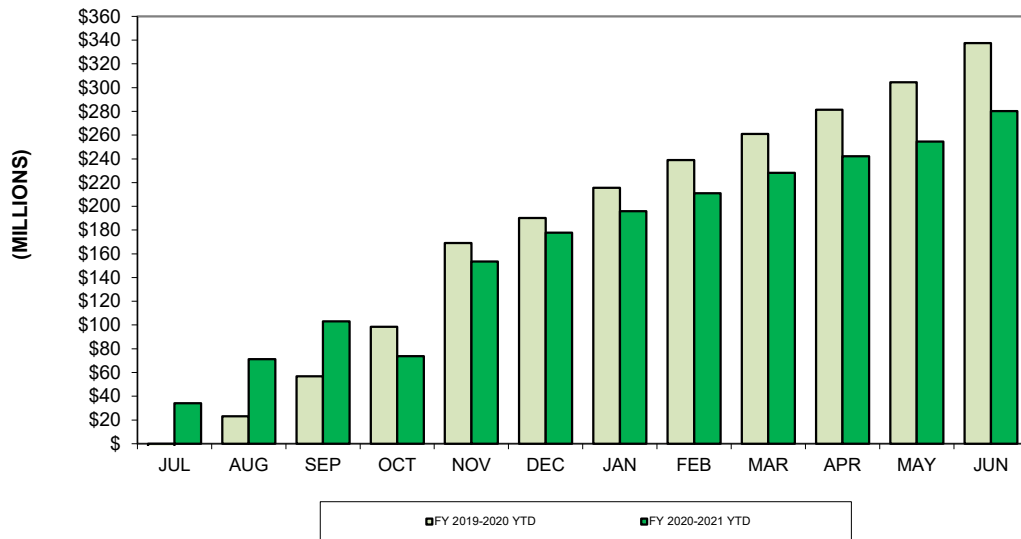


**GENERAL PURPOSE PARKING FUNDS 533 & 559
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

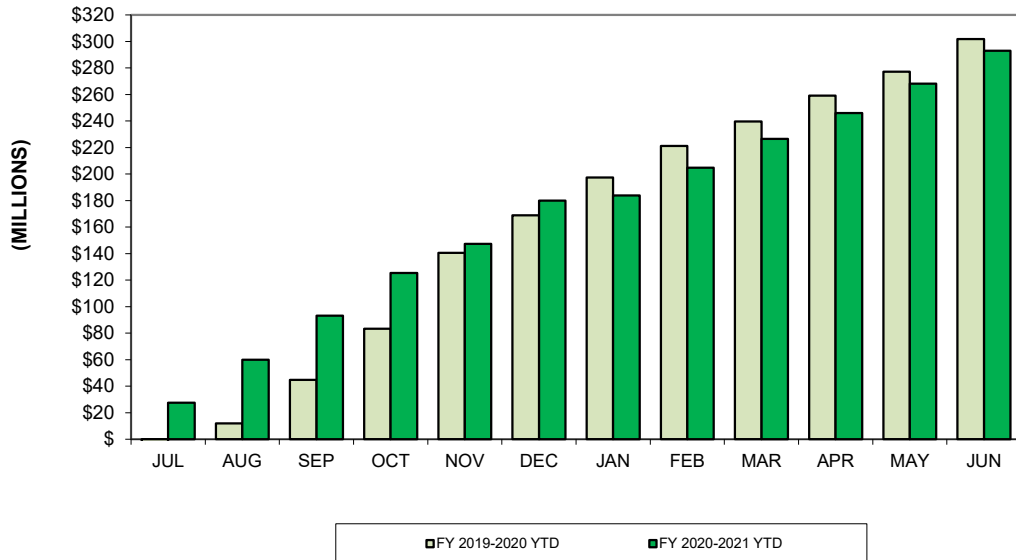


Note: The decrease in revenues and expenditures are due to the temporary closing of many parking lots and the decrease in number of tickets issued for parking violations. In addition, \$21.9 million was transferred from Fund 533 to Fund 559 in July 2019 to fund the capital improvements and set aside in a reserve for future parking infrastructure projects; whereas, there were no transfers in July 2020.

CLEAN ENERGY FUND 501
Comparison of YTD Revenues vs. Prior YTD Revenues



CLEAN ENERGY FUND 501
Comparison of YTD Expenditures vs. Prior YTD Expenditures



Note: The San Jose Clean Energy Fund (SJCE) was established in FY 2018 to account for revenues from the sale of electricity and the costs associated with the Clean Energy Program. SJCE launched electric generation service over multiple phases beginning in September 2018 and began receiving power sales revenue in November 2018.

SJCE's expenses in FY 2021 are reduced from FY 2020 due to an overall reduction in power supply costs. The amount of power purchased remains similar; however, SJCE lowered its renewable and carbon-free content and was able to secure more favorable contractual terms that lowered the overall cost to the SJCE program.

SJCE's revenue in FY 2021 is lower than FY 2020 due to the rate changes that have been implemented this fiscal year. SJCE establishes rates to align with PG&E's rates, while shielding SJCE customers from increased PG&E fees. In FY 2021, PG&E increased the Power Charge Indifference Adjustment (PCIA) fee significantly, which resulted in SJCE lowering rates to offset the PCIA fee impact on its customers. In addition, the financial impacts caused by the COVID-19 pandemic resulted in an increase in the number of missed payments by SJCE customers. The overall amount of power provided to SJCE customers in FY 2020 and FY 2021 is not materially different.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	-	-	5,260	5,260	5,260	-	7,449
Beginning Fund Balance	69,499	15,677	-	85,176	85,176	-	84,521
Revenues	48,600	16,545	-	65,145	76,904	-	60,065
Total Sources	118,099	32,222	5,260	155,581	167,340	-	152,035
Total Uses	118,099	32,222	5,260	155,581	62,421	7,770	60,242
Airport							
Prior Year Encumbrance	-	-	17,013	17,013	17,013	-	14,084
Beginning Fund Balance	256,546	(4,720)	-	251,826	251,826	-	277,085
Revenues	522,722	444,191	-	966,913	451,473	-	538,797
Total Sources	779,268	439,471	17,013	1,235,752	720,312	-	829,966
Total Uses	779,268	439,471	17,013	1,235,752	424,465	23,506	522,497
Waste Water Treatment							
Prior Year Encumbrance	-	-	310,503	310,503	310,503	-	213,147
Beginning Fund Balance	274,670	(118,450)	-	156,220	156,220	-	217,488
Revenues	549,252	110,497	-	659,749	379,417	-	466,015
Total Sources	823,922	(7,953)	310,503	1,126,472	846,140	-	896,650
Total Uses	823,922	(7,953)	310,503	1,126,472	475,820	264,703	482,399
Parking							
Prior Year Encumbrance	-	-	9,548	9,548	9,548	-	9,808
Beginning Fund Balance	38,963	811	-	39,774	39,774	-	29,496
Revenues	15,077	(2,000)	-	13,077	13,646	-	34,841
Total Sources	54,040	(1,189)	9,548	62,399	62,968	-	74,145
Total Uses	54,040	(1,189)	9,548	62,399	19,591	8,355	42,145
Municipal Water							
Prior Year Encumbrance	-	-	6,389	6,389	6,389	-	1,776
Beginning Fund Balance	28,295	1,156	-	29,451	29,451	-	30,640
Revenues	60,401	-	-	60,401	61,294	-	58,038
Total Sources	88,696	1,156	6,389	96,241	97,134	-	90,454
Total Uses	88,696	1,156	6,389	96,241	61,090	5,407	54,158

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Community Energy							
Prior Year Encumbrance	-	-	3,430	3,430	3,430	-	4,524
Beginning Fund Balance	42,890	7,420	-	50,310	50,310	-	13,685
Revenues	332,750	(28,050)	-	304,700	280,297	-	337,964
Total Sources	375,640	(20,630)	3,430	358,440	334,037	-	356,173
Total Uses	375,640	(20,630)	3,430	358,440	292,916	11,076	301,511
Gas Tax							
Revenues	15,000	-	-	15,000	15,938	-	15,438
Total Sources	15,000	-	-	15,000	15,938	-	15,438
Total Uses	15,000	-	-	15,000	15,938	-	15,438
Building and Structures							
Prior Year Encumbrance	-	-	6,278	6,278	6,278	-	4,738
Beginning Fund Balance	72,626	21,435	-	94,061	94,061	-	55,981
Revenues	62,797	(210)	-	62,587	33,961	-	59,172
Total Sources	135,423	21,225	6,278	162,926	134,300	-	119,891
Total Uses	135,423	21,225	6,278	162,926	32,162	4,757	18,176
Residential Construction							
Beginning Fund Balance	2,153	351	-	2,504	2,504	-	2,336
Revenues	245	-	-	245	286	-	286
Total Sources	2,398	351	-	2,749	2,790	-	2,622
Total Uses	2,398	351	-	2,749	62	-	78
Transient Occupancy Tax							
Prior Year Encumbrance	-	-	984	984	984	-	667
Beginning Fund Balance	2,368	1,916	-	4,284	4,284	-	8,994
Revenues	13,605	(5,131)	-	8,474	8,092	-	21,261
Total Sources	15,973	(3,215)	984	13,742	13,360	-	30,922
Total Uses	15,973	(3,215)	984	13,742	10,342	949	25,653
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	294	294	294	-	109
Beginning Fund Balance	4,046	6,394	-	10,440	10,440	-	15,717
Revenues	9,600	427	-	10,027	23,458	-	78,020
Total Sources	13,646	6,821	294	20,761	34,192	-	93,846
Total Uses	13,646	6,821	294	20,761	17,002	125	34,757

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021 BUDGET	BUDGET AMENDMENTS		FY 2020-2021 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Golf							
Beginning Fund Balance	725	762	-	1,487	1,487	-	712
Revenues	10,013	(9,261)	-	752	1,722	-	11,503
Total Sources	10,738	(8,499)	-	2,239	3,209	-	12,215
Total Uses	10,738	(8,499)	-	2,239	1,238	-	10,708
CARES Act							
Prior Year Encumbrance	-	-	8,043	8,043	8,043	-	-
Beginning Fund Balance	99,045	(106,417)	-	(7,372)	(7,372)	-	-
Revenues	-	108,263	-	108,263	105,332	-	71,654
Total Sources	99,045	1,846	8,043	108,934	106,003	-	71,654
Total Uses	99,045	1,846	8,043	108,934	104,352	2,290	70,983
American Rescue Plan Act							
Revenues	-	3,000	-	3,000	2,328	-	-
Total Sources	-	3,000	-	3,000	2,328	-	-
Total Uses	-	3,000	-	3,000	1,676	216	-
Other Funds							
Prior Year Encumbrance	-	-	72,144	72,144	72,144	-	35,218
Beginning Fund Balance	453,389	(58,379)	-	395,010	395,010	-	438,111
Revenues	530,658	164,498	-	695,156	644,724	-	554,545
Total Sources	984,047	106,119	72,144	1,162,310	1,111,878	-	1,027,874
Total Uses	984,047	106,119	72,144	1,162,310	605,264	76,607	504,505

Note: Figures may not total due to rounding.

CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction Excise							
Prior Year Encumbrance	-	-	43,075	43,075	43,075	-	79,273
Beginning Fund Balance	279,647	(8,682)	-	270,965	270,965	-	47,764
Revenues	106,237	26,036	-	132,273	102,048	-	362,153
Total Sources	385,884	17,354	43,075	446,313	416,088	-	489,190
Total Uses	385,884	17,354	43,075	446,313	159,900	60,717	170,880
Other							
Prior Year Encumbrance	-	-	467	467	467	-	1,392
Beginning Fund Balance	29,693	(112)	-	29,581	29,581	-	22,839
Revenues	299	1,650	-	1,949	1,910	-	9,873
Total Sources	29,992	1,538	467	31,997	31,958	-	34,104
Total Uses	29,992	1,538	467	31,997	4,247	837	3,915

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2020-2021	BUDGET		FY 2020-2021	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Trust and Agency							
Prior Year Encumbrance	-	-	114	114	114	-	67
Beginning Fund Balance	6,735	3,473	-	10,208	10,208	-	10,643
Revenues	4,722	307	-	5,029	5,383	-	5,498
Total Sources	<u>11,457</u>	<u>3,780</u>	<u>114</u>	<u>15,351</u>	<u>15,705</u>	<u>-</u>	<u>16,208</u>
Total Uses	<u>11,457</u>	<u>3,780</u>	<u>114</u>	<u>15,351</u>	<u>4,445</u>	<u>103</u>	<u>5,583</u>

Note: Figures may not total due to rounding.



**2020-2021
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