



Memorandum

TO: PUBLIC SAFETY, FINANCE, AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jim Shannon

SUBJECT: BI-MONTHLY FINANCIAL REPORT
FOR JANUARY/FEBRUARY 2022

DATE: April 13, 2022

Approved

Date

4/14/2022

RECOMMENDATION

Accept the Bi-Monthly Financial Report on actual revenues and expenditures as compared to the 2021-2022 Budget for the eight months ending February 2022.

OVERVIEW

The Bi-Monthly Financial Report for January/February 2022 was jointly prepared by the City Manager's Budget Office and the Finance Department and is presented for the Public Safety, Finance and Strategic Support Committee's review. The City Manager's Budget Office has analyzed actual expenditures as compared to the 2021-2022 Modified Budget and the Finance Department has prepared a report that reflects the financial results for the eight months ending February 2022.

Through the first eight months of the fiscal year, revenues and expenditures were generally tracking within the budgeted estimates in the majority of City funds. The Administration will continue to closely monitor economic conditions and the performance in all City funds, bringing forward budget adjustments to the City Council during the year as appropriate. The following are key highlights in this report:

- General Fund revenues are anticipated to exceed budgeted levels by \$22 million. As discussed further in this report, several revenue categories are performing stronger than anticipated, including Business Tax, Property Tax, Real Property Transfer Tax, Sales Tax, and Transfers and Reimbursements.
- Overall, General Fund expenditures are anticipated to end the year at least \$10 million below budgeted levels, primarily due to vacancy savings. Expenditures will continue to be controlled and monitored to ensure appropriations stay within or below the approved levels.
- When combined with the \$12 million included in the 2021-2022 Ending Fund Balance Reserve that was established with City Council's approval of the 2021-2022 Mid-Year Budget Review and the assumed liquidation of prior year carryover encumbrances, at least \$45 million of unrestricted ending fund balance in the General Fund will be available as a source for the 2022-2023 Proposed Budget. Of this amount, \$25 million was assumed in the 2023-2027 Five-Year

OVERVIEW (CONT'D.)

General Fund Forecast. The Administration will continue to monitor the amount of excess revenue and expenditure savings that can be made available for the 2022-2023 Proposed Budget.

- As a result of the strong local real estate market, Construction and Conveyance Tax revenue and Real Property Transfer Tax revenue are continuing to perform strongly. Budget adjustments for both of these revenue collections were included in the 2021-2022 Mid-Year Budget Review, which was approved by the City Council on February 15. Both revenue categories are anticipated to end the year within the Modified Budget estimates.
- Building and Structure Construction Tax and Construction Excise Tax collections are experiencing year-over-year declines from the extraordinarily high levels experienced at the beginning of last year. These revenue sources, which are dependent on construction activity, are anticipated to end the year below budgeted levels. The lower revenue collections will be incorporated into the 2023-2027 Proposed Capital Improvement Program scheduled for release at the end of this month.
- Revenues from the Development Fee Programs, with the exception of the Fire Development Fee Program, are anticipated to end the year at or above budgeted levels. The Fire Development Fee Program may fall below the budgeted revenue estimate due to lower than anticipated activity levels. In comparison to the other programs, Accessory Dwelling Unit (ADU) permits, which have significantly increased in comparison to previous years and drive activity within other programs, typically do not require a significant level of fire-related inspections. However, the ongoing impacts from the pandemic can abruptly affect these revenue collections, therefore, activity levels will continue to be closely monitored.
- The Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned close to 5.9 million passengers through February, an increase of 188.6% from the figures reported through February of the prior year. This year-over-year increase is due to the ongoing recovery of passenger traffic, which was significantly impacted as a result of the pandemic.
- With the recent City Council-approved rate increase in January 2022 and as the lower cost long-term agreements of new renewable energy developments come online, the fiscal outlook of San José Clean Energy (SJCE) has significantly improved since the beginning of the fiscal year. SJCE anticipates beginning the payback of Commercial Paper Notes in 2022-2023.

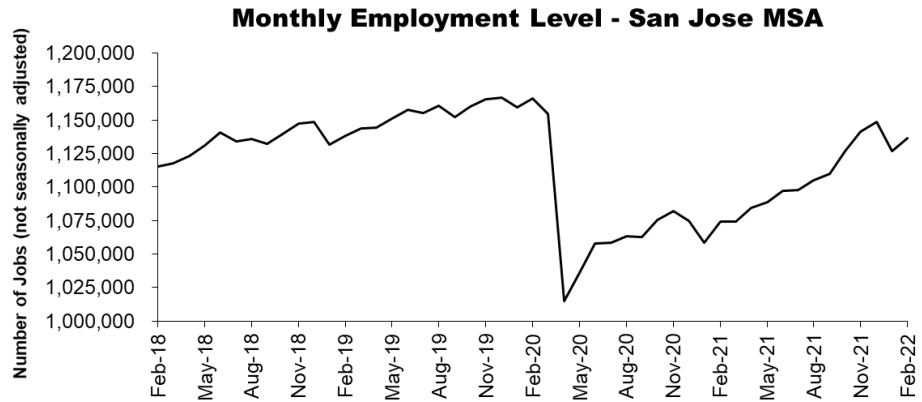
Economic Environment

The City of San José has steadily rebounded since the initial onset of the COVID-19 pandemic, growth that accelerated with the arrival and widespread use of effective vaccines. In spite of this growth, the broader economic environment is still recovering and, in some areas, not yet back to pre-pandemic levels.

California's employment was significantly impacted when health orders in response to the pandemic severely curtailed economic activity. As can be seen from the chart, after the immediate

OVERVIEW (CONT'D.)

employment drop in April 2020, employment levels have progressively grown, with a small decline at the end of 2020 when COVID-19 cases re-surfed. Between February 2021 and February 2022, employment in the San José MSA increased by 62,200 jobs, or 5.8%.



This increase includes leisure and hospitality jobs increasing by 27,700 jobs; private educational and health services jobs growing by 9,600; professional and business services expanding by 9,300 jobs; and the manufacturing sector increasing by 5,100 jobs.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 was 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.

After topping over 12% near the beginning of the pandemic in April 2020, the local unemployment rate has significantly dropped. In February 2022, the local unemployment rate was 3.0%, which is significantly lower than the February 2021 rate (6.0%) and is close to the pre-pandemic level of 2.6%. Though 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.

Unemployment Rate (Unadjusted)				
	Feb. 2020	April 2020	Feb. 2021	Feb. 2022**
San Jose Metropolitan Statistical Area*	2.6%	12.4%	6.0%	3.0%
State of California	4.3%	16.0%	8.9%	4.8%
United States	3.8%	14.4%	6.6%	4.1%
* San Benito and Santa Clara Counties Source: California Employment Development Department. ** August 2021 estimates are preliminary and may be updated.				

Overall construction activity through February 2022 decreased 42.4% from prior-year levels due to activity for all land use categories (residential, commercial, and industrial) experiencing

¹ State of California Employment Development: Labor Market Information Division Press Release, March 25, 2022

OVERVIEW (CONT'D.)

significant year-over-year declines from the prior year, especially for commercial activity. The 2021-2022 Adopted Budget was developed with the expectation that development activity would decrease from the high levels experienced in 2020-2021 but would remain relatively strong. When considering the construction valuations discussed below, it is important to note that the beginning of 2020-2021 saw historically high levels of new construction early in the fiscal year – construction valuation through August 2020 was \$944.9 million, which was two-thirds of the valuation through December and half of the total valuation for all of 2020-2021. However, development activity has been on a downward trend throughout 2021-2022 and will continue to be closely monitored. The 2023-2027 Five-Year Forecast, which was released in February 2022, included an update of the Planning, Building and Code Enforcement Department outlook on future development activity that projected a slight increase in activity every year over the next five years.

Through February 2022, residential permit valuations decreased 9.4% from the prior year (\$210.8 million through February 2022; \$232.6 million through February 2021). Valuation for new construction was higher than alterations (57% for new construction, compared to 43% for alterations) for January and February. Residential activity through February included 451 multi-family units and 391 units for single-family construction for a total of 842 units. Major projects for January and February include permits for a seventy-nine-unit supportive housing project and an eighty-unit affordable rental housing project.

Private Sector Construction Activity (Valuation in \$ Million)			
	February 2021 (YTD)	February 2022 (YTD)	% Change
Residential	\$232.6	\$210.8	(9.4%)
Commercial	\$957.0	\$427.2	(55.4%)
Industrial	\$346.1	\$246.8	(28.7%)
TOTAL	\$1,525.7	\$884.7	(42.4%)

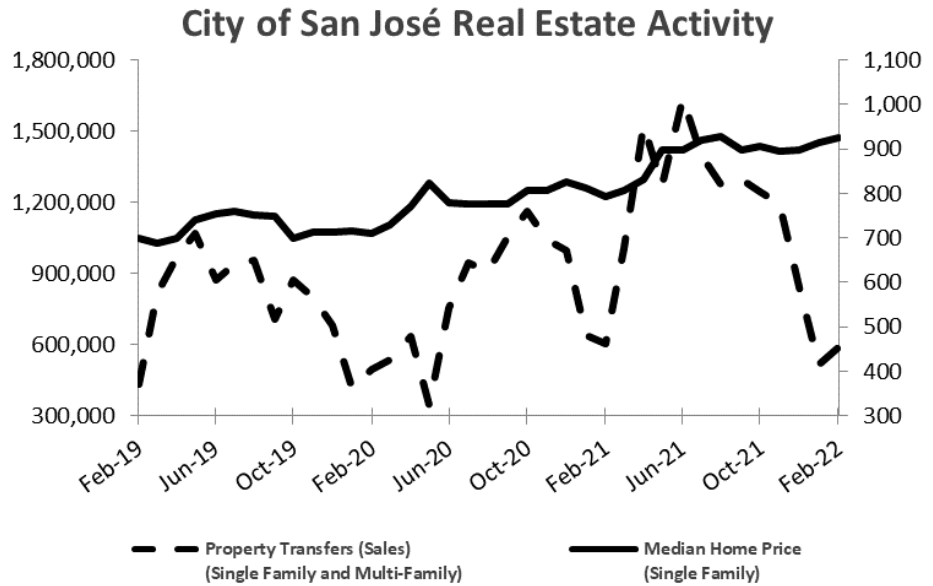
Commercial valuation through February experienced a decrease of 55.4% from the prior-year level (\$427.2 million through February 2022; \$957.0 million through February 2021). Most of the activity for January and February was from additions/alterations at about 86% of the total, with approximately 14% for new construction. Major projects for January and February include permits for a nine thousand square foot mausoleum in an existing cemetery and a four-story, 125,000 square foot office.

Industrial construction valuation through February was 28.7% lower than the prior-year levels (\$246.8 million through February 2022; \$346.1 million through February 2021). The majority of the valuation for January and February was from alterations at about 89% of the total, with approximately 11% for new construction. A notable project for January and February included a permit for a self-storage facility with 770 units and 83,000 square feet of storage space.

Real estate activity was significantly curtailed at the start of the pandemic. 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 in March 2020 through June 2020.

OVERVIEW (CONT'D.)

However, beginning in September 2020, the local real estate market once again began to experience year-over-year gains. As of February 2022, property transfers have begun to decline, while sale prices continue to grow. Through November 2021, property sales grew over 20% compared to the prior-year sales. However, the unusually elevated



sales rate has subsided. Beginning in December 2021, sales activity has declined, with year-over-year sales declining a total of 9.5% over the last three months; February 2022 sales were 1.7% below February 2021 levels. Single-family home prices, however, remain strong. As of February 2022, the median single-family home price totaled \$1.65 million, which represents a 27.4% increase from the February 2021 price of \$1.29 million. Finally, it is taking significantly less time to sell these more expensive homes. The average days-on-market through February 2022 totaled 15 days, which is significantly below the average of 26 days experienced year-to-date through February 2021.

On a national level, in February, consumer confidence fell slightly, after also dropping in January. Lynn Franco, Senior Director of Economic Indicators at The Conference Board, stated “Consumer confidence was down slightly for a second consecutive month in February. The Present Situation Index (consumers’ assessment of current business and labor market conditions) improved a touch, suggesting the economy continued to expand in Q1 but did not gain momentum. Concerns about inflation rose again in February, after posting back-to-back declines. Despite this reversal, consumers remain relatively confident about short-term growth prospects. While they do not expect the economy to pick up steam in the near future, they also do not foresee conditions worsening. Nevertheless, confidence and consumer spending will continue to face headwinds from rising prices in the coming months.”²

Economic conditions will continue to be closely monitored and will be factored into the assessment of the City’s performance in 2021-2022 as well as the development of the 2022-2023 Proposed Budget, which will be released in May 2022.

² The Conference Board, Consumer Confidence Survey, February 22, 2022

GENERAL FUND

REVENUES

General Fund revenues through February 2022 totaled \$1.11 billion, which represents an increase of \$321.0 million from the February 2021 level of \$789.7 billion. This increase is primarily attributable to higher Tax and Revenue Anticipation Notes (TRANs) receipts, which facilitate the pre-payment of a portion of the City's retirement contributions. TRANs receipts increased by \$155.0 million, from \$130.0 million in 2020-2021 to \$285.0 million in 2021-2022. The higher level of TRANs receipts is due to the City also including in the prefunding other pensionable employer-paid benefits (OPEB) and increasing the amount borrowed to take advantage of the low-interest-rate environment. In addition, several other categories are experiencing increases compared to prior-year levels, the largest of which include Transfers and Reimbursements (\$51.9 million), which includes the \$45.0 million transfer from the American Rescue Plan Fund, Real Property Transfer Tax (\$46.9 million), Sales Tax (\$29.1 million), Business Tax (\$14.9 million), and Property Tax (\$14.4 million). However, while many revenues are performing stronger than the prior year, there are several categories experiencing declines; including, Utility Tax (-\$3.8 million), and Revenue from the Use of Money/Property (-\$471,000). These lower collections are primarily attributable to the timing of payments.

Through February, a total of \$45 million is anticipated to be available in 2022-2023 from a combination of excess revenues and expenditure savings, including: \$12 million from the 2021-2022 Ending Fund Balance Reserve established with City Council's approval of the 2021-2022 Mid-Year Budget Review, \$22 million from excess revenue, \$10.5 million from expenditure savings, \$500,000 from the liquidation of prior year carryover encumbrances. Of this amount, \$25 million was assumed as part of the 2023-2027 General Fund Forecast, with the remaining \$20 million being factored in the development of the 2022-2023 Proposed Budget. The discussion on the following pages highlights General Fund revenue activities through February 2022.

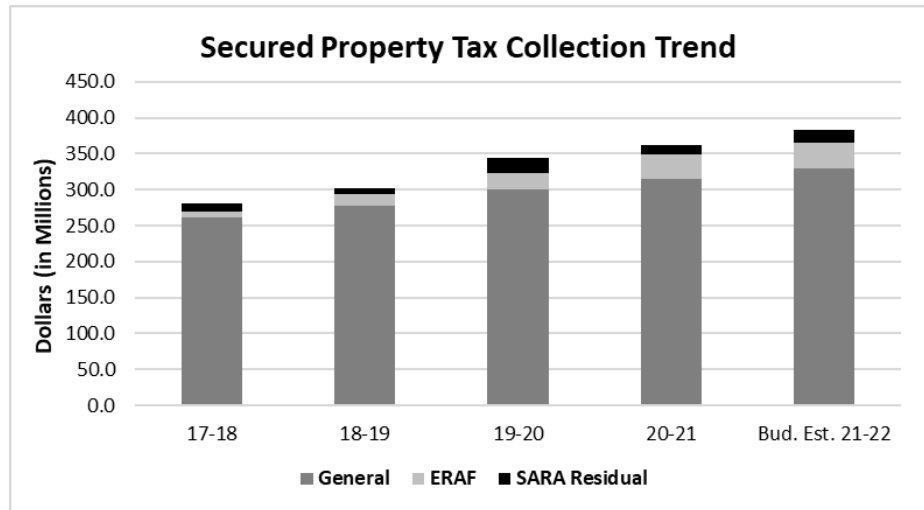
KEY GENERAL FUND REVENUES

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Property Tax	\$ 406,500,000	\$ 203,649,155	\$ 189,217,667

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner's Property Tax Relief. Based on the most recent information that has been received by Santa Clara County, Property Tax receipts in 2021-2022 are estimated at \$410.2 million, which reflects overall growth of 5% from the 2020-2021 collection level of \$390.9 million. This increase is primarily due to higher Secured Property Tax receipts (7.1%), partially offset by lower SB813 (54.7%) and Unsecured (9.8%) Property Tax revenues. Additional information about each of the Property Tax sub-categories is provided on the following pages.

GENERAL FUND (CONT'D.)

Secured Property Taxes represent over 90% of the revenue in the Property Tax category. The Secured Property Tax category includes general Secured Property Tax, Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax, and Educational Revenue Augmentation Fund (ERAF) revenues.



Based on the most recent information provided by Santa Clara County, Secured Property receipts are anticipated to total \$388.8 million in 2021-2022. The revised estimate is comprised of General Secured Property Tax receipts of \$330.5 million, excess ERAF funds of \$38.9 million, and SARA Residual Property Tax receipts of \$18.6 million. The revised Secured Property receipts estimate is \$15.1 million higher than the Adopted Budget estimate; however, a significant portion of the additional revenue (\$11.0 million) was anticipated and allocated in the 2021-2022 Mid-Year Budget Review that was approved by the City Council on February 15, 2022. The remaining additional Secured Property Tax receipts, generated primarily from excess ERAF funds, may be brought forward as a separate budget adjustment as part of the Approval of Various Budget Actions for Fiscal Year 2021-2022 memorandum that will be reviewed by the City Council in June 2022.

As mentioned above, the general Secured Property Tax estimate totals \$330.5 million in 2021-2022, which assumes growth of approximately 4.5% from the 2020-2021 collection level. This growth primarily reflects an increase in assessed value due to the California Consumer Price Index (CCPI) increase of 1% and increased valuation due to changes in ownership or new construction of 3.5%. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment.

As a result of the SARA bond refunding that occurred in December 2017, the City began receiving a residual property tax distribution. In 2021-2022, receipts are estimated at \$18.6 million, which reflects an increase of \$5.0 million from the 2020-2021 collection level but is \$300,000 below the 2021-2022 Adopted Budget estimate of \$18.9 million.

GENERAL FUND (CONT'D.)

Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. Once there are sufficient funds in ERAF to fulfill obligations, the remainder of the funding is returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. The 2021-2022 budgeted estimate was built on the assumption that 2020-2021 collections would total \$23.6 million, then grow to \$28.0 million in 2021-2022. However, due to unanticipated additional revenue received at the end of 2020-2021, receipts actually ended the year at \$33.2 million. Based on the most recent information provided by Santa Clara County, revised ERAF receipts of \$38.9 million is anticipated to be received, which is \$10.9 million above the Adopted Budget estimate. A significant portion of this excess revenue (\$7.0 million) was anticipated and allocated in the 2021-2022 Mid-Year Budget Review, which was approved by the City Council on February 15, 2022. The remaining additional receipts may be brought forward as a separate budget adjustment as part of the Approval of Various Budget Actions for Fiscal Year 2021-2022 memorandum that will be reviewed by the City Council in June 2022.

The **Unsecured Property Tax** category refers to property that can be relocated and is not real estate. The most common forms of unsecured property include boats, business personal property, and undeveloped land. The 2021-2022 Modified Budget estimate of \$14.5 million allows for a drop of approximately 10% from the 2020-2021 collection level of \$15.8 million. It is currently anticipated that Unsecured Property Tax receipts will end the year within the budgeted level.

The **SB 813 Property Tax** category represents the retroactive taxes reassessed property valuation from the period of resale to the time that the Santa Clara County Assessor formally revalues the property. The 2021-2022 Adopted Budget estimate anticipates collections totaling \$5.1 million, which is slightly higher than the most recent estimate provided by the County of Santa Clara (\$5.0 million).

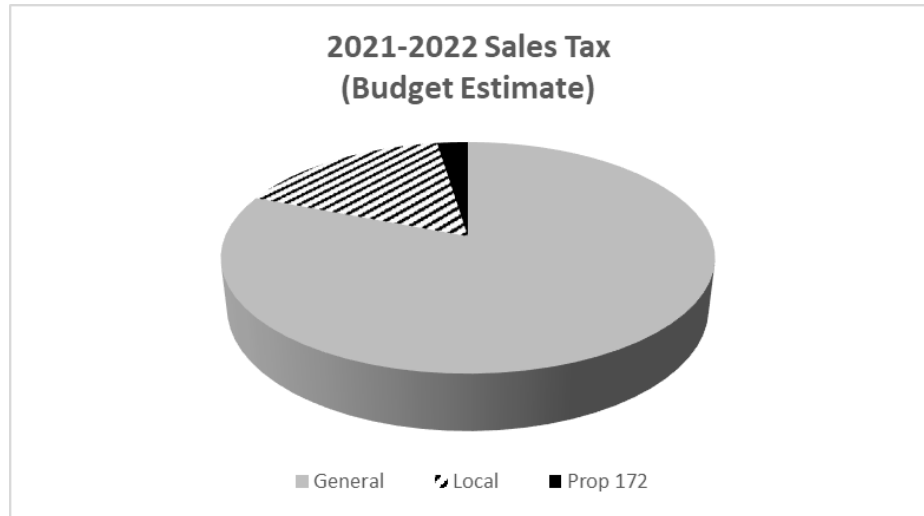
Aircraft Property Tax receipts are typically received in October of each year. The 2021-2022 Adopted Budget estimate of \$3.1 million is consistent with the 2020-2021 receipts but is slightly above the \$3.0 million estimate from the County of Santa Clara.

In the **Homeowners Property Tax Relief** category, revenues in 2021-2022 are expected to be at the budgeted estimate of \$900,000, which is consistent with the 2020-2021 collection level.

GENERAL FUND (CONT'D.)

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Sales Tax	\$ 300,200,000	\$ 175,417,690	\$ 146,347,263

The Sales Tax category includes General Sales Taxes, Local Sales Taxes, and Proposition 172 Sales Taxes. The 2021-2022 Modified Budget estimate totals \$300.2 million, which is 5.7% above the 2020-2021 receipts of \$284.0 million. Based on strong performance for the past three quarters, Sales Tax revenue is anticipated to exceed



the Modified Budget by approximately \$13 million and end the year at \$313.5 million. Sales Tax receipts will continue to be closely monitored and if necessary, a budget adjustment may be brought forward as part of the Approval of Various Budget Actions for Fiscal Year 2021-2022 memorandum that will be reviewed by the City Council in June 2022.

Information related to Sales Tax payments are distributed from the California Department of Tax and Fee Administration (CDTFA) four times throughout the year: November (representing July-September activity), February (representing October-December activity), May (representing January-March activity), and August (representing April-June activity). Based on information received through February 2022 (which reflects two quarters of Sales Tax activity; from July 2021 through December 2021), it is anticipated that 2021-2022 Sales Tax revenue will total \$313.5 million. This robust growth parallels the strong economic recovery – locally, state-wide and nationally – since the arrival of effective vaccines and the corresponding relaxation of public health restrictions. Additionally, the pandemic has resulted in many people shifting their spending habits to purchasing goods (which are taxable) versus spending money on services (which are not taxable). This shift of consumers spending habits has also positively impacted Sales Tax collections. Additional information about each of the Sales Tax sub-categories is provided below.

General Sales Tax is the largest driver of the Sales Tax category and accounts for over 80% of all Sales Tax receipts. The 2021-2022 General Sales Tax estimate was built on the assumption that 2020-2021 receipts would total \$219.0 million and grow to \$228.0 million in 2021-2022. This estimate assumed underlying growth of 7%, though after adjusting for lower growth of internet-related sales as people shift some online spending to general retail shopping, the overall growth rate was set at approximately 4%. However, as mentioned above, General Sales Tax receipts for

GENERAL FUND (CONT'D.)

the first quarter (sales tax activity for July-September) and second quarter (sales tax activity for October-December) were received in November 2021 and February 2022, respectively and continue to reflect strong growth that began in the third quarter of 2020-2021. Based on these assumptions, General Sales Tax collections are anticipated to total \$253.0 million in 2021-2022, which is \$10.0 million above the 2021-2022 Modified Budget estimate and reflects an increase of 10% from the 2020-2021 collection level. The next General Sales Tax payment is anticipated to be received in May 2022, and if collections continue to remain positive, a budget adjustment may be brought forward as part of the Approval of Various Budget Actions for Fiscal Year 2021-2022 memorandum that will be reviewed by the City Council in June 2022.

The City's Sales Tax consultant, Avenu Insights & Analytics, has provided performance data for General Sales Tax revenue, as displayed on the chart below. This analysis measures the first and second quarter General Sales Tax receipts for 2020-2021 and 2021-2022, excluding Sales Tax associated with the Revenue Capture Agreement.

**General Sales Tax Revenue Economic Performance
First and Second Quarter Payment**

Category	2021-2022 % of Total Revenue	2020-2021 % of Total Revenue	% Change of Revenue Received by Category
General Retail	19.7%	17.9%	29.4%
Transportation	18.0%	16.6%	27.1%
Business-to-Business	15.4%	15.6%	15.8%
Food Products	13.1%	11.8%	30.1%
Construction	9.5%	10.8%	3.7%
Miscellaneous	0.8%	0.8%	14.5%
County Pool	23.5%	26.5%	3.5%
Total	100.0%	100.0%	

As can be seen in the table above, all categories have experienced year-over-year growth, the largest of which include Food Products, General Retail (apparel stores, department stores, furniture/appliance stores, drug stores, recreation products, and florists/nurseries), Transportation, and Business-to-Business.

In addition, the County Pool, which is where the majority of online transactions are captured, has continued to grow. 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 has been fueled by online purchases during the pandemic and 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 FUND (CONT'D.)

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, it is anticipated the County Pool receipts will continue to remain strong, though may taper off in the second half of the year from the extremely high levels experienced in 2020-2021 as consumers slightly shift online spending to general retail stores.

In June 2016, San José voters approved a ¼ cent **Local Sales Tax**, which was implemented in October 2016. Local Sales Tax is generated based on the destination of the purchased product; therefore, all out-of-state online retailers (including marketplace facilitators) sales tax collections are directly distributed to the City of San José, versus the General Sales Tax revenue that is deposited in the County Pool, where the City only receives approximately 40% - 50% of the proceeds. Due to this distinction, Local Sales Tax revenue may not always experience the same growth and decline rates as General Sales Tax receipts.

Similar to General Sales Tax, Local Sales Tax receipts for the first quarter (sales tax activity for July-September) and for the second quarter (sales tax activity from October-December) were received in November 2021 and February 2022, respectively, and continue to reflect strong growth that began in the third quarter of 2020-2021. Beginning in the third quarter of 2021-2022 growth is anticipated to continue but at a more moderate level. Based on these assumptions, Local Sales Tax collections are anticipated to total \$52.0 million in 2021-2022, which is consistent with the Modified Budgeted estimate and reflects an increase of 11% from the 2020-2021 collection level.

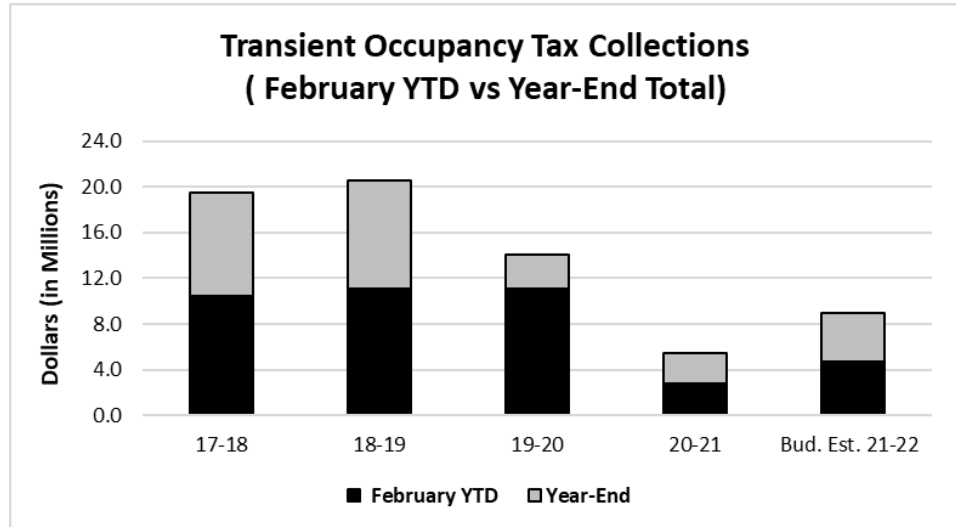
Proposition 172 Sales Tax collections represent the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs. The 2021-2022 budgeted estimate of \$6.2 million allows for a 12% drop from the 2020-2021 collection level of \$7.0 million. It is anticipated that collections will slightly exceed the budgeted estimate by year-end.

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Transient Occupancy Tax	\$ 9,000,000	\$ 4,721,571	\$ 2,736,671

The 2021-2022 budget estimate for the General Fund **Transient Occupancy Tax** (TOT) allocation (40% of the total tax) of \$9.0 million, which was decreased from \$10.0 million as part of the 2021-2022 Mid-Year Budget Review, assumes a 64% increase from the 2020-2021 estimated collection level of \$5.5 million. However, actual 2020-2021 receipts were slightly below (\$91,000) the revised estimate, which was also lowered to account for the continued impact of the pandemic on the hospitality industry and associated revenue losses. Relative to this actual performance for 2020-2021, the current budget estimate represents an increase of 66%. Year-to-date TOT receipts through February 2022 of \$4.7 million are 72.5% higher than the prior-year collection level of \$2.7 million, continuing to signal a sustained resumption of demand for hotel rooms following the unprecedented impacts of the pandemic, though this sector still lags the rest of the local economy.

GENERAL FUND (CONT'D.)

Overall, the average room rate across the City’s reporting hotels decreased by \$78.81 (from \$181.72 to \$102.91) in 2020-2021 relative to 2019-2020, with average occupancy decreasing 18.4% (from 57.56% to 39.15%). Occupancy levels hovered between 30.2% and 42.5% from July



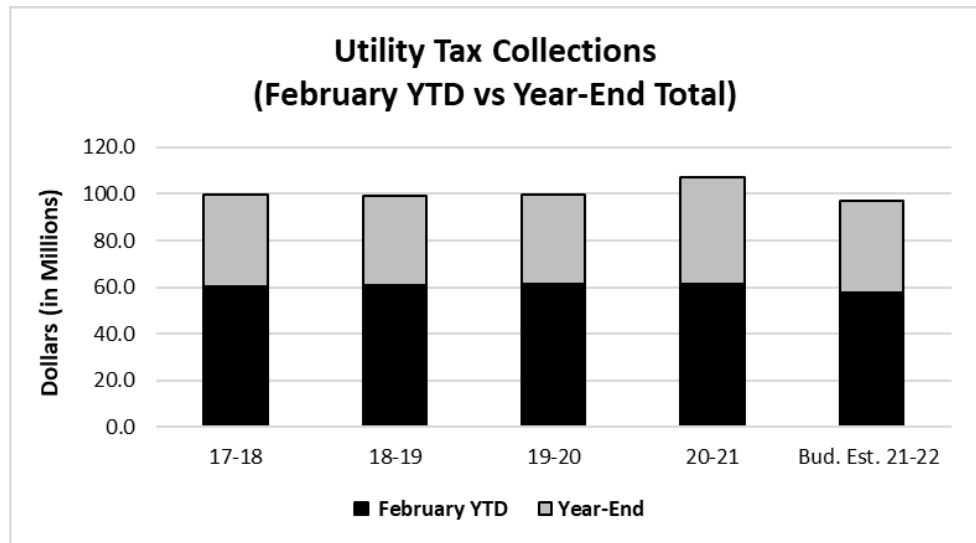
2020 to March 2021, with room rates ranging between \$95.29 and \$105.11. However, room demand and revenues began to exhibit incremental gains over the final quarter of 2020-2021, closing at an occupancy rate of 52.31% and room rate of \$112.37 for June 2021. This incremental rebound continued into 2021-2022, with occupancy and room rates reaching 58.05% and \$125.14 in November 2021 – the highest performance levels to date since April 2020. Performance levels then temporarily declined during the winter season, coinciding with the increase in COVID-19 infection rates attributable to the Omicron variants, but are beginning to rebound again. As of February 2022, cumulative average occupancy was 54.46%, the room rate was \$120.36, and revenue per available room (RevPAR) was \$65.55.

Given the recent upward trend and positive, preliminary indicators for activity during March 2022, Transient Occupancy Tax revenues are anticipated to meet or exceed the revised budget estimate, provided COVID-19 infection rates stabilize or continue to decline. However, COVID-19 continues to present considerable uncertainty for this already volatile revenue source. The Administration is partnering closely with Team San Jose (the City’s operator of convention and cultural facilities, as well as the Convention and Visitors Bureau) to actively monitor hotel and revenue performance, and will provide updates to the Public Safety, Finance and Strategic Support Committee through future Bi-Monthly Financial Reports, and future budget adjustment cycles as appropriate.

GENERAL FUND (CONT'D.)

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Utility Tax	\$ 97,060,000	\$ 57,404,133	\$ 61,182,831

The **Utility Tax** category includes the Electricity Utility Tax, Gas Utility Tax, Water Utility Tax, and the Telephone Utility Tax. Through February, Utility Tax receipts of \$57.4 million are \$3.8 million, or 6.2%, lower than the prior-year level. The year-over-year



decrease is primarily due to lower Electricity, Water, and Telephone Utility Tax receipts. The decrease in Electricity and Water Utility Tax receipts is attributable to a payment processing timing issue, and the lower Telephone Utility Tax collections are due to decreased activity. The 2021-2022 Adopted Budget was built on the assumption that 2020-2021 Utility Tax revenue would end the year at \$100.2 million and then decline approximately 3% to \$97.1 million in 2021-2022. However, since 2020-2021 ended the year at \$107.0 million, receipts can drop by over 9% in 2021-2022 to meet the budgeted estimate. Based on historical collection trends and performance through February, it is anticipated overall Utility Taxes will meet the budgeted levels by year-end.

In the **Electricity Utility Tax** category, collections through February totaled \$30.6 million, which is approximately 6% below the prior-year level, which is due to a payment processing timing issue. The 2021-2022 Adopted Budget assumed that 2020-2021 receipts would total \$51.1 million, then decline approximately 5% to \$48.5 million in 2021-2022. However, since 2020-2021 ended the year above estimated levels, receipts can decline by approximately 10% in 2021-2022 and meet the budgeted estimate. Based on performance through February and historical collection patterns, receipts are anticipated to exceed the budgeted estimate by \$2 - \$3 million by year-end.

In the **Gas Utility Tax** category, collections through February totaled \$7.0 million, which is 3.5% above the prior-year level. The 2021-2022 Adopted Budget estimate of \$11.7 million allows for an approximate 10% drop from the prior year's collection level of \$12.9 million. Based on performance through February and historical collection patterns, receipts are anticipated to exceed the budgeted estimate by \$500,000 - \$1 million by year-end.

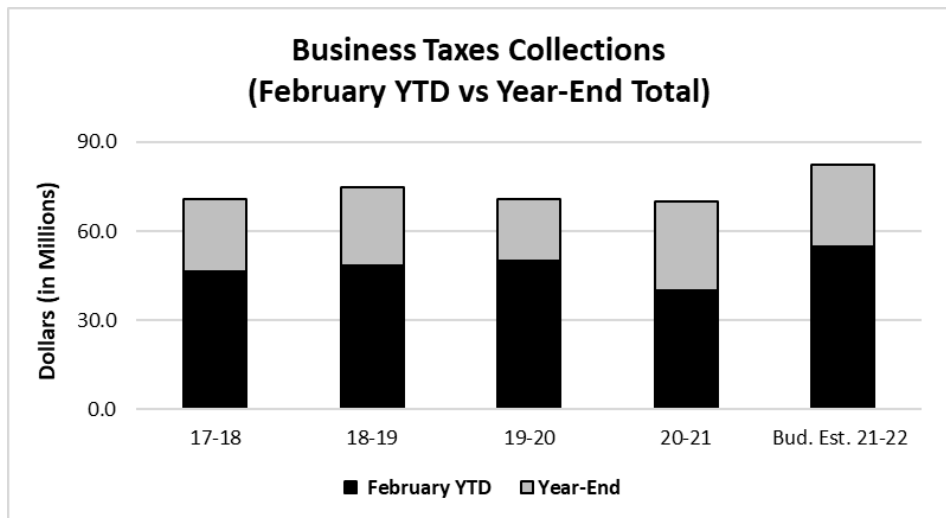
GENERAL FUND (CONT'D.)

Water Utility Tax collections of \$9.3 million through February are approximately 13% below the prior-year level of \$10.7 million due to a payment processing timing issue and decreased activity. The 2021-2022 Adopted Budget allows for an approximate 8% drop from the prior year's collection level of \$19.1 million. Based on performance through February and historical collection patterns, receipts are anticipated to end the year approximately \$2 million below the budgeted estimate.

Collections in the **Telephone Utility Tax** category of \$10.5 million through February are 6.5% below the prior-year collections of \$11.2 million. The 2021-2022 Adopted Budget estimate of \$19.3 million allows for a 10% drop from the 2020-2021 actual collection level of \$21.3 million. The anticipated decline in this revenue category is the 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. Based on performance through February and historical collection patterns, receipts in this category are anticipated to end the year approximately \$500,000 - \$1 million below the budgeted estimate.

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Business Taxes	\$ 82,500,000	\$ 54,861,425	\$ 39,988,481

The Business Taxes category consists of the Cannabis Business Tax, Cardroom Tax, Disposal Facility Tax, and General Business Tax. Through February, overall collections of \$54.9 million are 37.2% above the prior-year collection levels of \$40.0 million,



primarily reflecting higher Cardroom Business Tax collections. The 2021-2022 Adopted Budget estimate of \$74.5 million requires growth of over 6% from the 2020-2021 actual collection level. Based on overall Business Taxes performance through February and historical collection patterns, it is anticipated receipts will exceed the budgeted level by \$2 million by year-end.

Cannabis Business Tax collections reflect cannabis business tax as well as cannabis business tax compliance revenues. Cannabis Business Tax collections began after San José voters approved Ballot Measure U on November 2, 2010, which allowed the City to tax marijuana businesses. Further, in November 2016, the California Marijuana Legalization Initiative (Proposition 64) was

GENERAL FUND (CONT'D.)

approved by voters, which legalized recreational marijuana use in California. As a result, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018. Through February, receipts of \$10.4 million are slightly below the prior-year level of \$10.6 million. The 2021-2022 Modified Budget estimate allows for a 1% drop from the 2020-2021 collection level of \$19.2 million. Based on performance through February and historical collection patterns, receipts in this category are anticipated to end the year within the budgeted level.

Through February, **Cardroom Tax** receipts totaling \$15.5 million have been received, while only \$2.8 million had been received in the prior year due to the cardrooms not being operational for part of last fiscal year. As a result of the shelter-in-place mandate, cardrooms suspended operations from March 2020 to August 2020, then again from November 2020 to January 2021 due to health orders by the County of Santa Clara and/or the State of California. Since late January 2021, cardrooms have once again been operational, under modified restrictions. In 2020-2021, Cardroom Tax collections totaled \$11.1 million; in 2021-2022 receipts are anticipated to grow to approximately \$26 million, which is inclusive of the ballot measure approved by voters in November 2020 that increased taxes on cardroom operators beginning in January 2021.

Disposal Facility Tax (DFT) are business taxes received based on the tons of solid waste disposed at landfills within the City. DFT revenue through February totaled \$7.2 million, which is slightly above the prior-year collection level of \$6.7 million. The 2021-2022 Modified Budget estimate allows for a 10.8% drop from the 2020-2021 collection level of \$13.8 million. Based on performance through February and historical collection patterns, receipts in this category are anticipated to exceed the budgeted estimate by approximately \$1 million by year-end.

Through February, **General Business Tax** receipts of \$21.8 million are 6.9% above the prior-year collection level. The 2021-2022 Adopted Budget estimate was built on the assumption that 2020-2021 receipts would total \$25.7 million and remain flat in 2021-2022. The 2021-2022 estimate reflects a moderate annual inflation rate change of 1.6%, offset by reduced activity levels. However, due to stronger than anticipated performance at the end of the fiscal year, receipts ended 2020-2021 the year at \$26.5 million. Therefore, 2021-2022 collections may fall by 3.0% and meet the budgeted estimate. On September 28, 2021, the City Council approved the Temporary Extension of Business Tax Financial Hardship Exemptions memorandum, which extended (through June 30, 2022) the eligibility for the existing financial hardship exemptions for low-revenue generating small businesses and small business owners with limited household incomes to include all persons engaged in business in the City who satisfy certain financial hardship requirements. Based on revenue received through February and the impacts associated with the temporary business hardship extension, it is currently anticipated revenue will meet the budgeted level by year-end. General Business Tax receipts will continue to be closely monitored, with updates provided in future bi-monthly financial reports.

GENERAL FUND (CONT'D.)

Revenue	2021-2022 Budget Estimate	YTD Actual	Prior YTD Collections
Real Property Transfer Tax	\$ 90,000,000	\$ 76,307,695	\$ 29,427,977

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 accordance with City Council Policy 1-18, Section 22, this tax revenue is allocated for homelessness prevention efforts and the development of new affordable housing. It is important to note that the Administration has recommended adjustments to the spending allocation of these revenues to broaden eligible uses to also include homeless support programs, such as the construction and operation of emergency interim housing communities and other homeless shelters. In accordance with the process specified in the policy for any changes to the spending allocations, the City initiated a 60-day public noticing period on February 4, 2022 and held the first of two public hearings on February 15, 2022. A second public hearing and action for City Council to approve the recommended policy changes occurred on April 12, 2022.

Through February 2022, Real Property Transfer Tax collections total \$76.3 million, which is significantly higher than the prior-year level of \$29.4 million. In addition, the City has received the March tax receipts from Santa Clara County, which total \$6.4 million. When taking into account total receipts through February and the March remittance, total Real Property Transfer Tax receipts in 2021-2022 total \$86.0 million. The significant 2021-2022 collection level is due to several factors. First, due to the timing of when the payment from Santa Clara County was processed for June collections, funding of \$9.7 million is reflected in 2021-2022 but is attributable to 2020-2021 activity. In addition, 11 high-value property transfers occurred between July 2021 and March 2022, totaling \$34.7 million. Combined, the revenue due to the prior year's activity (\$9.7 million) and the 11 high-value transfers (\$34.7 million) attributed over \$44 million of the total \$86 million collections received so far in 2021-2022. The Real Property Transfer Tax collections began in 2020, therefore limited historical collection information is known. In addition, receipts are significantly influenced by large property transfers, which are difficult to estimate. It is currently anticipated that Real Property Transfer Tax collections will end the year at or above the budgeted level.

EXPENDITURES

Through February, General Fund expenditures (without encumbrances) of \$940.3 million were 4.2% above the prior-year level of \$902.3 million. Encumbrances of \$87.3 million were 23.7% above the prior-year level of \$70.6 million. General Fund expenditures and encumbrances through February of \$1.03 billion constitute 49.2% of the total budget including reserves and 58.6% of the budget excluding reserves. Overall, General Fund expenditures are anticipated to end the year below the budgeted levels, primarily as the result of position vacancy savings throughout the organization.

GENERAL FUND (CONT'D.)

Through February, departments are overall performing within estimated levels for personal services expenditures, with exception of the Police Department and Public Works Department. Expenditures will continue to be controlled and monitored to ensure appropriations stay within approved levels to the extent possible. Following is a discussion of the performance of the Police and Fire Departments, the largest General Fund departments, as well as the Public Works Department.

KEY GENERAL FUND EXPENDITURES

Department	2021-2022 Budget	YTD Actual	Prior YTD Actual
Police	\$ 488,198,553	\$ 312,760,288	\$ 296,629,859

Police Department expenditures are slightly below estimated levels through February, which is driven by lower than anticipated non-personal/equipment expenditures. While the department is currently tracking to be within budgeted levels overall, active monitoring and management will be needed to ensure that the Department remains within budgeted levels by year-end. Cost control measures implemented by the Department, which are discussed in more detail below, will be instrumental in meeting this target while maintaining required service levels.

Personal services expenditures of \$292.5 million are slightly above the anticipated level for this point of the year (64.57% expended, compared to the par level of 64.10%), with overtime expenditures of \$28.6 million having exceeded the budget for this fiscal year (122.3% of the total \$23.4 million budget). Although overtime expenditures have exceeded budgeted levels, average monthly usage of \$3.6 million for the six-month period (July 2021 – February 2022) is below the recent monthly average of \$3.9 million for comparable periods in 2019-2020 and 2020-2021. This year-over-year decrease also includes the overtime that was required to backfill for the temporary absences from December through February resulting from the surge in Omicron variant cases. This reduction is partly attributable to the implementation of additional approvals and other controls to actively manage overtime use. However, the Department is still on pace to exceed its overall Personal Services budget of \$452.9 million by approximately \$3.4 million (0.7%), as projected vacancy savings are insufficient to fully offset the additional overtime expenditures. Actions will be brought forward prior to year-end to recommend the reallocation of the Personal Services budget between overtime and salaries to better reflect anticipated costs. As described below, the Department is taking additional steps to reduce overtime expenditures and is committed to maintaining Personal Services expenditures within current budgeted levels.

A total of \$20.3 million (57.51%) of the Department's Non-Personal/Equipment budget (\$35.3 million, including carry-over encumbrances) has been expended or encumbered through February. Excluding the remaining balances for centrally-determined details (\$8.3 million), including electricity, gas, and vehicle operation and replacement, the Police Department has approximately \$6.7 million, or 18.9%, of its total Non-Personal/Equipment budget available for the remainder of

GENERAL FUND (CONT'D.)

the fiscal year. Overall non-personal/equipment expenditures are expected to end the year within budgeted levels. Overtime consists of both 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 \$7.0 million in one-time funding from the Sworn Hire Ahead Program to pay for Police Academy Recruits as well as to backfill patrol and investigative positions on overtime. While the goal is to fill vacancies and eliminate the need to backfill positions, the normal duration for the academy and field training is approximately 10-12 months, requiring overtime to backfill until the new recruits are ready to serve as solo beat officers. Effective vacancy levels, which include vacancies, field training officers, academy recruits and sworn personnel on disability, modified, or other leaves, reduce the amount of street-ready sworn officers available and is the most significant contributing factor to overtime usage. The effective vacancy rate was 17.5% as of February 25, 2022. Historically, the effective vacancy rate has averaged 22.4% (based on the 5-year period between 2016-2017 and 2020-2021), resulting in 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.

In accordance with the POA MOA, 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. On November 22, 2021, the Chief issued an order to reduce compensatory time balances for any sworn staff member who believes they will not be able to take the excess time off before the end of the calendar year. This order requires sworn staff to submit a plan to their immediate supervisor, consistent with MOA section 13.6.5.1, by December 1, 2021, excluding sworn staff assigned to Patrol. Each plan shall outline how a sworn staff member will reduce their compensatory time by March 31, 2022. These changes are intended to reduce the number of officers reaching the 480-hour limit, which would thereby reduce future overtime expenditures. The Police Department has implemented additional overtime and compensatory time approvals to slow, and eventually reduce, compensatory time balance growth, including revisions for BFO approvals to the extent possible.

Finally, an internal working group will be established – comprised of varying ranks of sworn personnel, fiscal personnel, other civilian staff, and the Assistant Budget Director – tasked with identifying approaches to further increase the controls surrounding overtime. To start this process, focus groups have been created in each Bureau of the department. These groups have started meeting to discuss solutions around workload and overtime issues and will bring recommendations to be considered by the internal working group. 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.

The City Auditor's March 2021 *Police Staffing, Expenditures, and Workload* audit report included several recommendations to increase the number of compensatory time-related data that should be

GENERAL FUND (CONT'D.)

included in the Mid-Year Budget Review, Bi-Monthly Financial Reports, and Annual Report. The table below summarizes this data. While compensatory time usage and balances remain high, it is important to note that the Police Department has made meaningful progress in some of these categories when compared to the prior year. This progress can be seen in the short term, as the department reported a sworn compensatory time balance liability of 355,595 hours in the 2021-2022 Mid-Year Report, which has now been reduced to 349,506.

	February 2021	February 2022	% Change from 2021 to 2022	% Change from 2020 to 2021
# of Sworn Personnel at 480-hour limit	430	424	(1.4%)	20.78%
# of Sworn Personnel between 240 and 480 hours	276	297	7.6%	(0.36%)
Sworn Compensatory Time Balance Liability (hours)	343,923	349,506	1.6%	9.3%
Sworn Compensatory Time Balance Liability (\$)	\$24.2 M	\$26.7 M	10.2%	9.1%
YTD Overtime Expenses for Staff at 480-hour limit (\$)	\$13.8 M	\$12.3 M	(10.9%)	30.2%

The table below provides a summary of sworn staffing vacancies and street-ready officers. Vacancies for sworn positions have increased from the 2021-2022 Mid-Year Budget Review Report, primarily due to multiple retirements that occurred in the month of January. There are currently two active academies, October 2021 (38 recruits) and February 2022 (37 recruits), with an additional academy scheduled for June 2022. The June 2021 academy graduated on January 23, 2022 with 25 officers. As of the end of February 22, of the 1,153 authorized sworn staff, 101 were in training (8.76%) and 72 were on disability/modified duty/other leaves (6.2%).

	2020-2021 (as of 02/26/2021)	2021-2022 (as of 02/25/2022)
Authorized Sworn Positions	1,159	1,153
Vacancies	4	(29)
Filled Sworn Positions³	1,163	1,124
Field Training Officer/Recruits	(135)	(101)
Street-Ready Sworn Officers Available	1,028	1,023
Disability/Modified Duty/Other Leaves	(61)	(72)
Street-Ready Sworn Officers Working	967	951

³ Filled sworn positions and authorized sworn positions may vary due to vacancies or the approval of over-strength (temporary) positions. The Police Department has special authority under the City's Sworn Hire Ahead Program to overstaff sworn positions to get a head start on training recruits due to retirement and other separation.

GENERAL FUND (CONT'D.)

The table below further identifies the length of time that sworn officers have been on leave status, as of February 25, 2022. Although the Department makes every effort to support the health and well-being of all staff members, as well as the safe resumption of duties as quickly as possible, the particularly physical and dangerous nature of the work performed by sworn officers results in a higher potential for injury. Of the total sworn officers on leave status, 11 have been on leave for more than one year with most of these sworn officers on modified duty (8). More than half of the sworn officers (42) have been on leave status for less than three months. Over the last five years, between 2016-2017 and 2020-2021, the number of sworn officers on leave ranged from a high of 112 to a low of 51. During this time, the average number of sworn officers on leave was approximately 73 with a standard deviation of approximately eight sworn officers. The current number of sworn officers on leave (72) is in line with the historical average and is a substantial decrease from the numbers reported in the 2021-2022 Mid-Year Budget Review (122).

Length of Leave Status (as of 2/25/2022)					
Type of Leave	0-3 Months	3-6 Months	6-12 Months	1 Year +	Total
Disability	9	3	6	2	20
Modified Duty	20	7	1	8	36
Other	13	0	2	1	16
Total	42	10	9	11	72

<u>Department</u>	<u>2021-2022 Budget</u>	<u>YTD Actual</u>	<u>Prior YTD Actual</u>
Fire	\$ 266,639,417	\$ 174,371,570	\$ 152,983,391

The Fire Department's budget totals \$266.6 million, which is comprised of \$252.2 million in personal services and \$14.4 million in non-personal/equipment expenditures. Overall, Fire Department expenditures are performing slightly above estimated levels through February 2022. Personal services expenditures of \$163.4 million, or 64.79% of the Modified Budget, are above the expected level of 64.10% at this point of the year. The higher-than-estimated expenditures are primarily due to an active fire season in the summer of 2021, and the costs incurred from mutual aid and Strike Team deployments, which will be reimbursed by the State of California. The Fire Department's non-personal/equipment budget of \$14.4 million was 76.04% expended or encumbered through February 2022. The Department's non-personal/equipment expenditures are above the expected levels of 64.10% primarily due to a large encumbrance amount.

Overtime has primarily been used to backfill vacancies and absences of the line duty positions (vacation, modified duty, sick, disability, and other absences) and for deployments. Mutual Aid and Strike Team resources (155 sworn personnel) were deployed to assist with 13 wildland fires across California from July through December, which includes the Dexter Fire (Mono County), River Fire (Mariposa County), Monument Fire (Trinity County), Dixie Incident West Zone Fire (Butte County), Dixie Fire (Butte, Plumas, Shasta, Lassen and Tehama Counties), and Fawn Fire

GENERAL FUND (CONT'D.)

(Shasta County) in which the City has received reimbursement. The Department is expecting reimbursement for additional wildland fire incidents including the Beckwourth Complex (Plumas County), Caldor Fire (El Dorado, Alpine and Amador Counties), KNP Complex (Tulare County), Lava Fire (Siskiyou County), River Complex (Siskiyou and Trinity Counties), SCU Coverage (Santa Clara County, Alameda County, Contra Costa County, San Joaquin County, Stanislaus County), and Estrada Fire (Santa Cruz County). Reimbursement for Task Force 3 expenditures has been requested from the State of California and FEMA and will be brought forward for City Council consideration once received. Factoring in the anticipated reimbursements, personal services expenditures are projected to remain within budgeted levels.

Overall, the average sworn vacancy rate of 8.48% through February 2022 is higher than the vacancy rate of 5.94% experienced this time last year, and above the budgeted rate of 2.5%. The most recently completed fire fighter academy began in April 2021 and concluded in September 2021 with 22 graduates. The current fire fighter academy began in November 2021 and is expected to be completed in April 2022 with 19 firefighter recruits.

Department	2021-2022 Budget	YTD Actual	Prior YTD Actual
Public Works	\$ 40,646,738	\$ 29,539,794	\$ 25,285,885

The Public Works Department expenditures are above estimated levels through February, which is due to both higher personal services and non-personal/equipment costs. Personal services expenditures of \$15.9 million are above the anticipated level for this point of the year (66.9% expended, compared to the par level of 64.1%). Non-personal/equipment expenditures of \$13.7 million (includes \$4.7 million in encumbrances) are also above anticipated levels with 80.8% of the Modified Budget expended through February.

Through February, personal services expenditures are above-expected levels primarily due to higher than anticipated expenditures for Animal Care Services, Facilities Maintenance and Operations (Non-City Hall), Transportation and Hydraulics Services, and Pandemic Response. Overall, overtime expenditures totaled \$775,665 compared to the budgeted amount of \$816,196 (95.0%, compared to the par level of 64.1%) and temporary staffing expenditures totaled \$1.3 million compared to the budgeted amount of \$1.4 million (88.3%, compared to the par level of 64.1%), through February. Currently, the Personal Services budget is tracking to exceed by approximately \$600,000 - \$940,000.

The Animal Care Services Division has required additional resources for overtime and temporary positions at both the front line and supervisory level to ensure proper care for animals at the Animal Services Center. Though the Department will work to control costs as feasible, the volume of work will likely require elevated expenditures throughout the remainder of the fiscal year. The elevated costs with the Facilities Maintenance and Operations (Non-City Hall) and Transportation

GENERAL FUND (CONT'D.)

and Hydraulics Services are mostly attributable to staff working on various capital projects; these costs will be correctly reallocated to the specific capital improvement projects later in the fiscal year. Similarly, Public Works has assigned several employees to manage the Emergency Operations Center Logistics Section to assist in the procurement and distribution of personal protective equipment, supplies needed for the food distribution program, and outfitting City facilities with COVID safety signage, floor markings, touchless water faucets, and plexiglass barriers in occupied spaces. The Department will work to reallocate these costs to the appropriate funding source within the American Rescue Plan Fund and Emergency Reserve Fund, which have established budgets for these initiatives.

Non-personal/equipment expenditures, including encumbrances, are also well above budgeted levels at 80.8% expended through February. This is primarily due to the encumbrances of consultant contracts for facilities repairs and maintenance as well as the janitorial contracts that are managed by the Department. Overall, non-personal/equipment expenditures are expected to end the year within budgeted levels.

If necessary, actions to adjust Personal Services or Non-Personal/Equipment budgets will be brought forward as part of the Approval of Various Budget Actions for Fiscal Year 2021-2022 memorandum that will be brought forward for City Council consideration in June 2022.

CONTINGENCY RESERVE

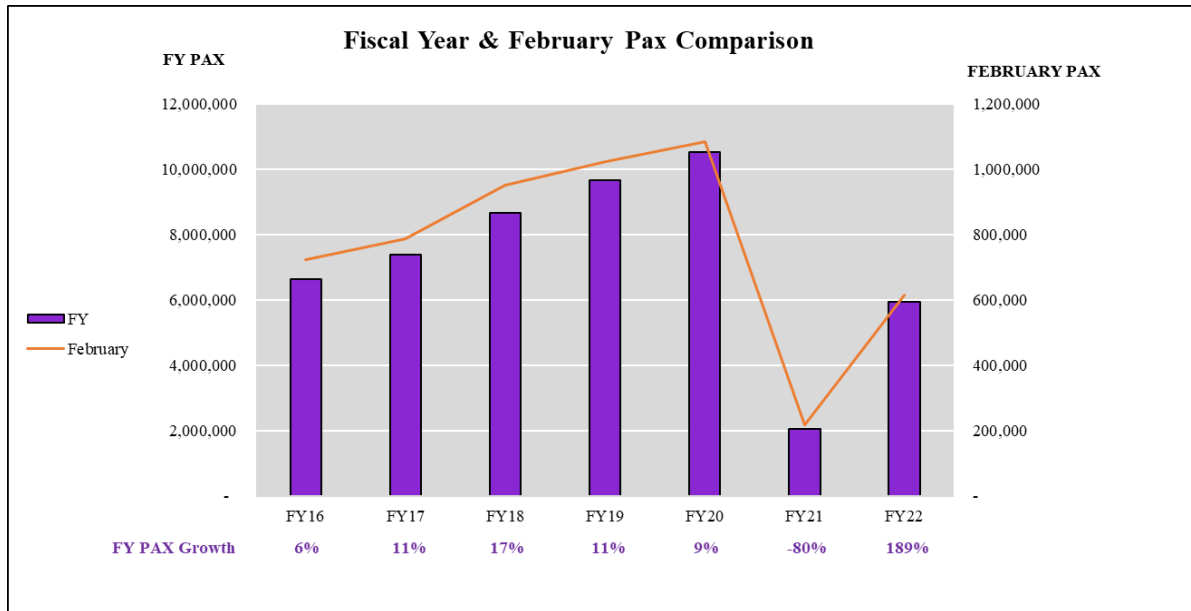
The General Fund Contingency Reserve was amended as part of the 2020-2021 Annual Report, increasing the reserve by \$500,000, from \$40.0 million to \$40.5 million. This reserve level complies with Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, which requires the Contingency Reserve to be at a minimum of 3% of the operating budget.

OTHER FUNDS

Airport Funds

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 5.9 million passengers, an increase of 188.6% from the figures reported through February 2021. The chart below depicts the year-over-year change for the month of February and Fiscal Year-to-Date for the last six years.

OTHER FUNDS (CONT'D.)



Fiscal year-to-date mail, freight and cargo totaled 47.3 million pounds, which represents a 16.3% decrease over year-to-date February 2021. Meanwhile, all revenue-generating activities posted increases over the same period of the prior fiscal year: Ground Transportation by 204.5%; Parking Exits by 114.1%; Gallons of Aviation Fuel sold by 110.8%; Landed Weights by 60.1%; and lastly Traffic Operations (landings and takeoffs) increased by 39.9%.

Through February, overall revenue performance at the Airport tracked 14% above estimated budget levels. The different Airport revenue categories had a mixed performance through this period: Terminal Concessions (+274%), Parking & Roadway (+36%), and Airfield (+1%) revenues were above the estimated revenue benchmark while Landing Fees (-11%), Terminal Rentals (-7%), and General and Non-Aviation Revenues (-5%) tracked slightly below budgeted levels. This mixed performance of activity compared to budgeted levels can be attributed to the current unpredictable aviation environment and the corresponding challenges in developing revenue budget targets. Airport revenues will continue to be closely monitored through this fiscal year.

Additionally, the Airport has \$59.6 million of Federal funding programmed in 2021-2022 to reimburse operating expenses and partially offset a reduced revenue outlook. To date, the Airport has received a total of \$25.5 million (Coronavirus Aid, Relief, and Economic Security Act funding) of \$12.1 million and Coronavirus Response and Relief Supplemental Appropriations Act funding of \$13.4 million) based on reimbursement of expenditure requests submitted to the FAA. As well, a reduction to the Terminal Concessions budget by \$6.6 million was approved as part of the 2020-2021 Annual Report to reflect anticipated American Rescue Plan Act funding that will offset concessionaires' revenue paid to the Airport.

OTHER FUNDS (CONT'D.)

Through February, both the Airport Customer Facility and Transportation Fee Fund and Airport Maintenance and Operation Fund expenditures tracked below-budgeted levels. In the Maintenance and Operation Fund, personal service expenditures were 61.6% of budget compared to the benchmark of 65.4%, while non-personal/equipment expenditures were 36.7% compared to the benchmark of 55.1%. Non-personal/equipment expenditures in the Customer Facility and Transportation Fee Fund were 34.7% of the budget compared to the straight-line benchmark of 66.7%. The Administration will continue to closely monitor and report activity, revenue, and expenditure status.

San José Clean Energy Fund

The Community Energy Department operates San José Clean Energy (SJCE), which operates San José Clean Energy (SJCE), supplying residents and businesses of San José with cleaner energy options than PG&E and access to energy efficiency community programs. In December 2021, in anticipation of the California Public Utilities Commission's (CPUC) approval of PG&E's proposed rate increase, the City Council approved a new rate package that kept SJCE rates for SJCE's GreenSource standard service set at 8% above PG&E's proposed increase of 15% to 35% inclusive of the Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge, and increased the renewable energy content for San José Clean Energy's GreenSource and GreenValue products to 60% and 40% respectively (TotalGreen continued at 100%). In February 2022, the CPUC approved PG&E's rate increase of 33% effective March 1st.

PG&E generation rates and rising PCIA fees are the primary drivers when setting SJCE rates. Combined with high energy market prices, the delayed PG&E rate increase, and pandemic-related bad debt for unpaid customer invoices, SJCE's revenues and cash flow projections were negatively impacted, and as a result, the City Council approved a total Commercial Paper Notes authorization of up to \$95.0 million in June 2021 to cover SJCE's projected cash flow shortage. A total of \$15.0 million was allocated in 2020-2021 and \$53.0 million was allocated in 2021-2022 as part of the City Council-approved 2020-2021 Annual Report. Between June 2021 through February 2022, SJCE has so far drawn \$60.0 million of Commercial Paper proceeds.

Through February, Energy Sales totaled \$194.4 million, or 58.0% of the modified budget estimate of \$335.4 million. SJCE's financial outlook has improved since June 2021, primarily the result of the City Council-approved rate increase that went into effect January 2022. Current projections anticipate the payback of Commercial Paper Notes commencing in 2022-2023. Cost of Energy expenditures including encumbrances totaled \$290.4 million, or 95.2% of the total modified budget. San José Clean Energy encumbers a significant amount of funds for contracted energy early in the fiscal year. A decrease to the Cost of Energy appropriation was approved as part of the 2021-2022 Mid-Year Budget (by \$11.7 million, from \$307.2 million to \$295.5 million) to reflect lower forecasted expenditures through the remainder of the fiscal year. Community Energy Department has executed long-term agreements with developers of new renewable energy facilities and two of the projects covered under those agreements began delivering energy to SJCE

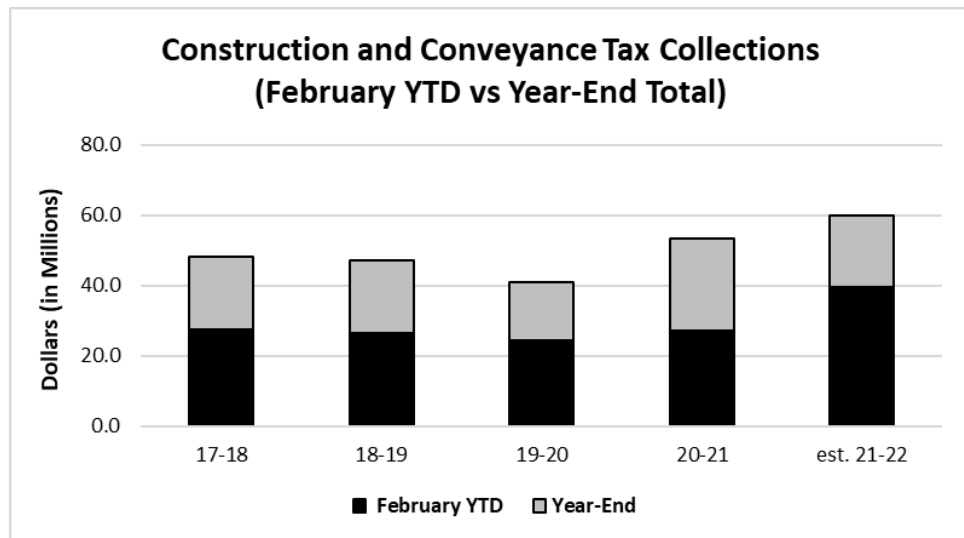
OTHER FUNDS (CONT'D.)

in December 2021. These new long-term agreements commit SJCE to lower costs for contracted clean energy. It is anticipated that the Cost of Energy will end the year within the modified budgeted levels.

Construction and Conveyance Tax Funds

Through February 2022, Construction and Conveyance (C&C) Tax receipts totaled \$39.6 million, which represents almost 66% of the 2021-2022 Modified Budget estimate (\$60.0 million). This amount is above the collections through February 2021, which totaled \$27.0 million. In addition, the City has received the March Conveyance receipts from Santa Clara County, which total \$5.2 million, which is almost double the March 2021 Conveyance collections of \$2.7 million. When taking into account total receipts through February and the estimated March collections, C&C receipts in 2021-2022 total \$39.6 million, 66.0% of the 2021-2022 budgeted estimate, and 32.4% above the prior-year collection level of \$29.9 million.

The 2021-2022 Adopted Capital Budget was built on the assumption that C&C Tax receipts would total \$38.0 million in 2020-2021 and drop to \$38.0 million in 2021-2022. This drop was due to uncertainty regarding the pandemic's long-term effect on the local real estate



market, which is the primary driver of this revenue source. However, 2020-2021 C&C Tax receipts ended the year at \$53.1 million, therefore, in 2021-2022 receipts can drop by 28.5% and meet the Adopted Budget estimate. Due to the extremely strong year-to-date collections, C&C collections are anticipated to significantly exceed the Adopted Budget estimate. Therefore, as part of the 2021-2022 Mid-Year Budget Review budgeted the C&C budgeted estimate was increased by \$22.0 million, from \$38.0 million to \$60.0 million.

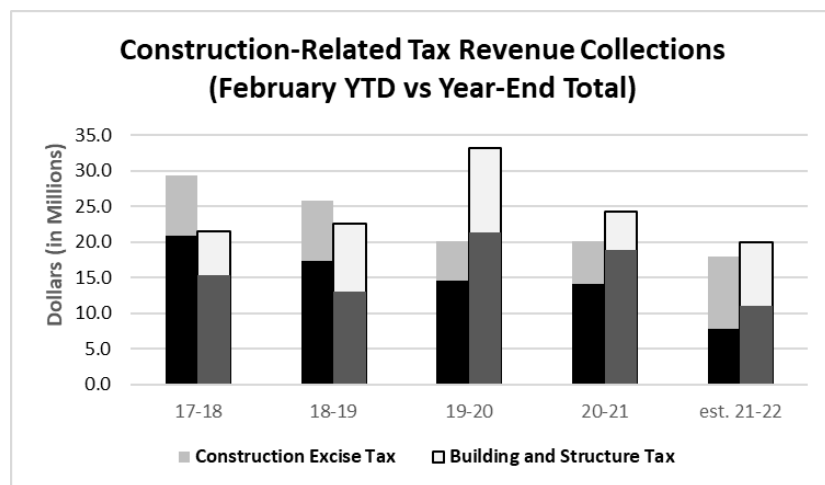
Over 99% of the total Construction and Conveyance Taxes are comprised of conveyance receipts, a tax based on the value of property transfers (sales). As discussed in the Economic Environment section of this Bi-Monthly Financial Report, the local real estate market has continued to be extremely strong. Since housing statistics are a key driver for the overall C&C collection levels, significant changes in the housing market will drastically affect the C&C Tax receipts. The local market will continue to be closely monitored, with updates provided in future Bi-Monthly Financial Reports.

OTHER FUNDS (CONT'D.)

Other Construction-Related Revenues

Capital Fund revenues associated with construction activity are anticipated to fall slightly below budgeted levels by year-end. Construction activities drive revenue collection in several categories, including the Building and Structure Construction Tax and the Construction Excise Tax (which are described in further detail below) that help fund the City's Traffic Capital Program, and are an indicator of future activity for several other categories, such as storm and sanitary sewer system fees.

Through February, the **Building and Structure Construction Tax** collection level of \$11.0 million is 55.1% of the budgeted estimate of \$20.0 million, and 41.8% below the prior-year receipts of \$18.9 million. The decline in revenue is primarily attributable to lower construction permit valuation for all categories (residential, commercial, and industrial) compared to the prior year,

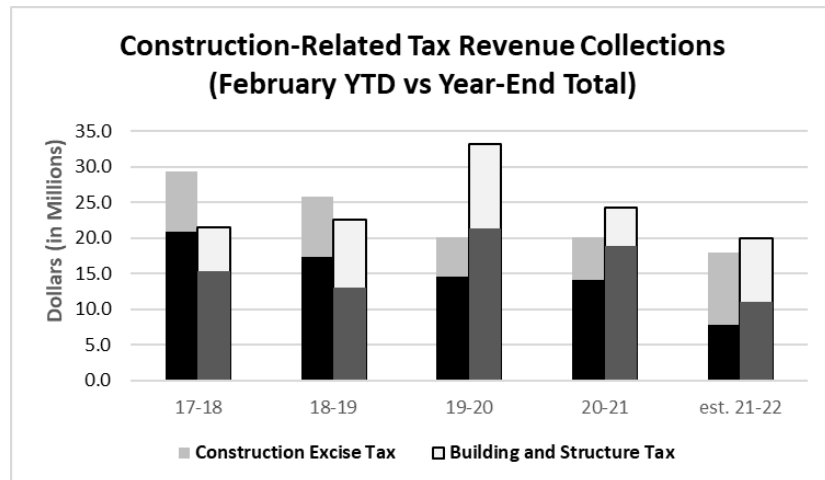


especially for commercial activity. In 2020-2021, several large projects contributed to the high collection level at the beginning of the fiscal year. When the 2021-2022 Adopted Capital Budget was developed it was anticipated that 2020-2021 Building and Structure Construction Tax receipts would total \$22.0 million, then decrease by approximately 9.1% to \$20.0 million in 2021-2022. However, since 2020-2021 receipts ended the year at \$24.2 million, the 2021-2022 budget allows for a 17.4% decline from the prior-year collection level. Based on collections through February, it is anticipated that Building and Structure Construction Tax Revenue will fall below the budgeted estimate by \$1.0 million, and total \$18.0 million.

Through February, the **Construction Excise Tax** collection level of \$7.8 million is 44.7% below the prior-year receipts of \$14.2 million, and 43.5% of the budget estimate of \$18.0 million. The decline in revenue is primarily attributable to lower construction permit valuation for all categories (residential, commercial, and industrial) compared to the prior year, especially for commercial activity. Last year, several large projects contributed to the high collection level at the beginning of the fiscal year. When the 2021-2022 Adopted Capital Budget was developed it was anticipated 2020-2021 Construction Excise Tax receipts would total \$17.0 million, then increase by approximately 5.6% to \$18.0 million in 2021-2022. However, since 2020-2021 receipts ended the year at \$20.1 million, the 2021-2022 budget allows for a 11.7% decline from the prior-year collection level. Based on collections through February, it is anticipated that Construction Excise Tax Revenue will fall below the budgeted estimate by \$2.0 million, and total \$16.0 million.

OTHER FUNDS (CONT'D.)

Through February, the **Building and Structure Construction Tax** collection level of \$11.0 million is 55.1% of the budgeted estimate of \$20.0 million and 41.8% below the prior-year receipts of \$18.9 million. The decline in revenue is primarily attributable to lower construction permit valuation for all categories (residential, commercial, and industrial) compared to the prior year, especially for



commercial activity. In 2020-2021, several large projects contributed to the high collection level at the beginning of the fiscal year. When the 2021-2022 Adopted Capital Budget was developed it was anticipated that 2020-2021 Building and Structure Construction Tax receipts would total \$22.0 million, then decrease by approximately 9.1% to \$20.0 million in 2021-2022. However, since 2020-2021 receipts ended the year at \$24.2 million, the 2021-2022 budget allows for a 17.4% decline from the prior-year collection level. Based on collections through February, it is anticipated that Building and Structure Construction Tax Revenue will fall below the budgeted estimate by \$1.0 million, and total \$18.0 million.

Through February, the **Construction Excise Tax** collection level of \$7.8 million is 44.7% below the prior-year receipts of \$14.2 million, and 43.5% of the budget estimate of \$18.0 million. The decline in revenue is primarily attributable to lower construction permit valuation for all categories (residential, commercial, and industrial) compared to the prior year, especially for commercial activity. Last year, several large projects contributed to the high collection level at the beginning of the fiscal year. When the 2021-2022 Adopted Capital Budget was developed it was anticipated 2020-2021 Construction Excise Tax receipts would total \$17.0 million, then increase by approximately 5.6% to \$18.0 million in 2021-2022. However, since 2020-2021 receipts ended the year at \$20.1 million, the 2021-2022 budget allows for a 11.7% decline from the prior-year collection level. Based on collections through February, it is anticipated that Construction Excise Tax Revenue will fall below the budgeted estimate by \$2.0 million, and total \$16.0 million.

Development Fee Program Funds

Development Fee Programs include the Building Development Fee Program, Citywide Planning Fee Program, Fire Development Fee Program, Planning Development Fee Program, and Public Works Development Fee Program Fund. Based on performance through February, all Development Fee Programs, with the exception of the Fire Development Fee Program, are anticipated to meet or exceed the budgeted estimates. Additional information about each of the Development Fee Program Funds is provided below.

OTHER FUNDS (CONT'D.)

The **Building Development Fee Program** issues building permits and oversees construction on private property. Through February, Building Development Fee revenue of \$23.3 million is 8.8% above the prior-year collection level of \$21.4 million. The 2021-2022 Adopted Budget estimate of \$32.2 million allows for a 7.5% drop from the 2020-2021 collection level of \$34.8 million. Based on current collection trends, Building Development Fee revenue is anticipated to exceed the 2021-2022 budgeted revenue estimate by approximately \$2.8 million.

The **Citywide Planning Fee Program** provides funding for the City's long-range planning projects, such as developing and updating the City's General Plan, to match the City's planning goals. The Citywide Planning Fee is an 11.97% fee applied to Entitlement, Building Permit Fees, and Building Plan Check Fee Categories. Through February, Citywide Planning Fee revenue of \$2.2 million is 5.0% above the prior-year collection level of \$2.1 million. The 2021-2022 Adopted Budget estimate of \$3.3 million allows for a 3.0% drop from the 2020-2021 collection level of \$3.4 million. Based on current collection trends, Citywide Planning Fee revenue is anticipated to end the year within the 2021-2022 budgeted revenue estimate.

The **Fire Development Fee Program** provides operational and construction permits and inspections to ensure that development within San José meets the City's fire codes. Development-related receipts through February of \$4.4 million are \$11,320 (0.3%) higher than prior year collections. The 2021-2022 Adopted Budget estimate of \$7.5 million, requires growth of 10.5% from the 2020-2021 collection level of \$6.8 million. Based on current collection trends, Fire Development Fee revenue is projected to fall below the 2021-2022 budgeted revenue estimate by about \$600,000. The lower activity level within the Fire Development Fee Program, in comparison to the other programs, is in large part attributable to the increase of Accessory Dwelling Unit (ADU) permits; ADU permits typically do not require significant level of fire-related inspections.

The **Planning Development Fee Program** processes land development applications for planning permits and services, such as zoning review, to match the City's planning goals. Through February, Planning Fee revenue of \$5.7 million is 30.8% above the prior-year collection level of \$4.4 million. The 2021-2022 Adopted Budget estimate of \$6.7 million allows for a 11.8% drop from the 2020-2021 collection level of \$7.6 million. Based on current collection trends, Planning Fee revenue is anticipated to exceed the 2021-2022 budgeted revenue estimate by approximately \$1.9 million.

The **Public Works Development Fee Program** ensures that developments comply with regulations and provide appropriate public infrastructure, such as sidewalks, traffic signals, and streetlights. Revenues through February of \$7.9 million increased 4% from the prior-year level of \$7.6 million. The Public Works Development Fee Program total revenue collections are comprised of \$4.7 million from the Development Services Fee Program, \$3.1 million from the Utility Fee Program, and approximately \$24,000 of interest. Based on activity through February, revenue collections in the Public Works Development Fee Program are projected to meet budgeted levels of \$13.1 million by year-end.

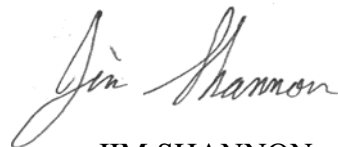
CONCLUSION

Due to the pandemic and the necessary response to protect community health and safety, economic activity was severely restricted beginning in March 2020. As anticipated, revenue sources across the City were significantly impacted, with many of the economically sensitive categories beginning to recover in 2020-2021, some strongly toward the end of the fiscal year. The 2021-2022 Adopted Budget was developed assuming that many of the General Fund and other economically sensitive City fund revenues would continue to recover as public health orders loosen and the vaccine rates continue to increase. The pace of recovery thus far has outpaced expectations.

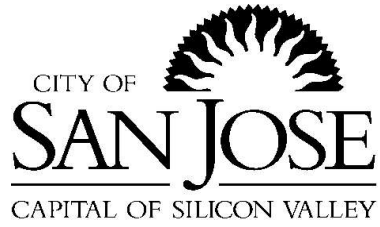
Through February, a total of \$45 million in the General Fund is currently anticipated to be available in 2022-2023 from a combination of excess revenues and expenditure savings, including: \$12 million from the 2021-2022 Ending Fund Balance Reserve established with City Council's approval of the 2021-2022 Mid-Year Budget Review, \$22 million from excess revenue, \$10.5 million from expenditure savings, and \$500,000 from the liquidation of prior year carryover encumbrances. Of this amount, \$25 million was assumed as part of the 2023-2027 General Fund Forecast, with the remaining \$20 million being factored in the development of the 2022-2023 Proposed Budget.

Most other City funds are performing within expected levels, with some exceptions. Airport passenger activity is significantly higher than prior-year levels, revenues and expenditures are tracking within anticipated levels. Additionally, Construction and Conveyance Tax revenue is continuing to perform strongly and is on par to end the year at a historically high level of \$60 million. With the exception of the Fire Development Fee Fund, all other Development Fee Program revenues are anticipated to end at or above budgeted levels. However, the Building and Structure Construction Tax Fund and Construction Excise Tax Fund, are under-performing expectations and will likely end the year below budgeted levels.

As always, staff will continue to report to the City Council significant developments through this and other budget reporting processes. The most recent information will be included in the 2022-2023 Proposed Operating Budget, scheduled for release by May 2, 2022.



JIM SHANNON
Budget Director



FINANCE DEPARTMENT

Monthly Financial Report

Financial Results for the Month Ended February 28, 2022

Fiscal Year 2021-2022

(UNAUDITED)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended February 28, 2022
Fiscal Year 2021-2022
(UNAUDITED)

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Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended February 28, 2022
Fiscal Year 2021-2022
(UNAUDITED)

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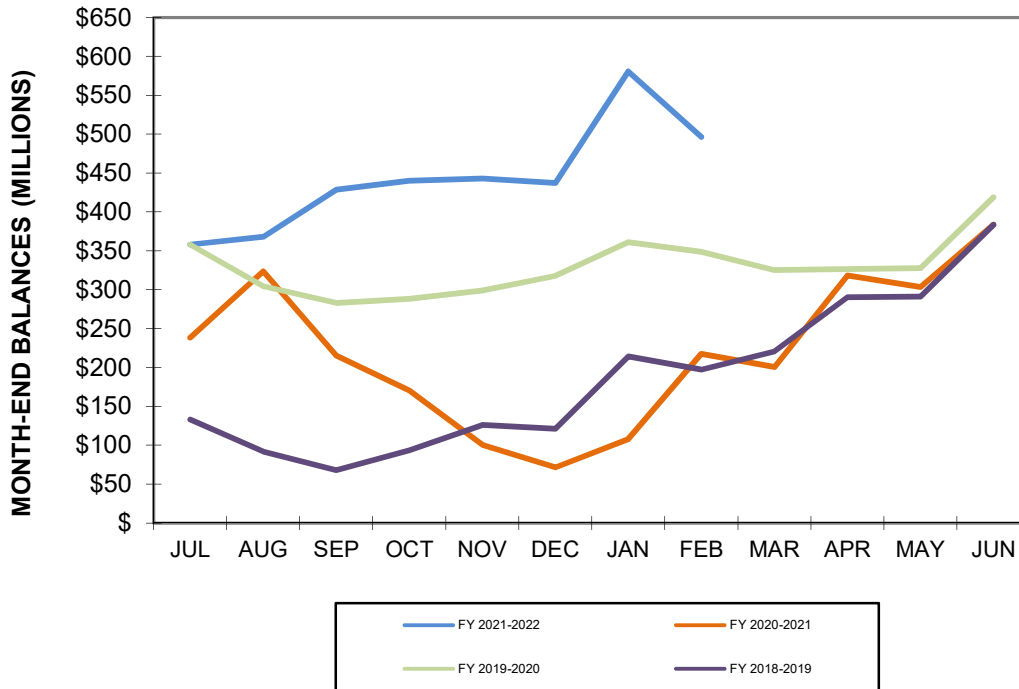
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Submitted by:


Digitally signed by Julia H. Cooper
DN: cn=Julia H. Cooper, o=City of San Jose, ou=Finance Department, email=julia.cooper@sanjoseca.gov, c=US
Date: 2022.04.04 15:24:18 -07'00'

JULIA H. COOPER
Director of Finance

GENERAL FUND
Comparison of Cash Balances vs. Prior Year's Balance



GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2021-2022	FY 2020-2021	FY 2019-2020	FY 2018-2019
JULY ⁽¹⁾	\$ 358,124,221	\$ 238,661,153	358,057,314	\$ 133,276,057
AUGUST	367,985,840	323,738,458	304,849,235	91,972,139
SEPTEMBER ⁽²⁾	428,548,372	215,370,108	283,092,234	67,970,290
OCTOBER ⁽³⁾	440,238,436	170,467,897	288,196,905	93,654,030
NOVEMBER	442,957,719	100,622,899	299,006,136	126,316,418
DECEMBER ⁽⁴⁾	437,194,188	71,502,262	317,868,572	121,024,958
JANUARY ^(4, 5, 6)	580,885,854	108,130,590	360,969,681	214,000,120
FEBRUARY ⁽⁵⁾	496,453,999	217,629,193	348,806,133	197,277,698
MARCH	-	200,717,737	325,495,352	220,734,066
APRIL	-	318,260,683	326,537,038	290,493,766
MAY	-	303,297,059	327,914,999	291,171,986
JUNE	-	384,019,042	419,046,570	383,572,703

(1) The General Fund cash balance generally 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 2020 and resumed pre-funding in FY 2021.

(2) The General Fund received a transfer of \$52.4 million from the American Rescue Plan Fund for revenue loss replacement.

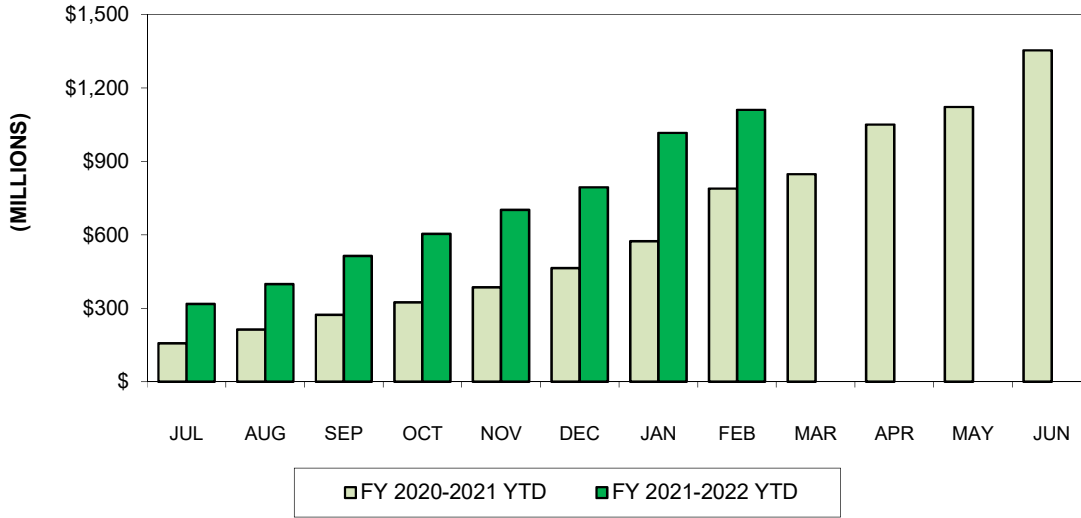
(3) Cash increases attributable to higher sales tax collections and growth in real property transfer taxes (Measure E).

(4) Significant increase in December 2021 compared to December 2020 is mainly due to the following: timing differences in posting property tax receipts and vehicle license fees and growth in real property transfer tax revenue.

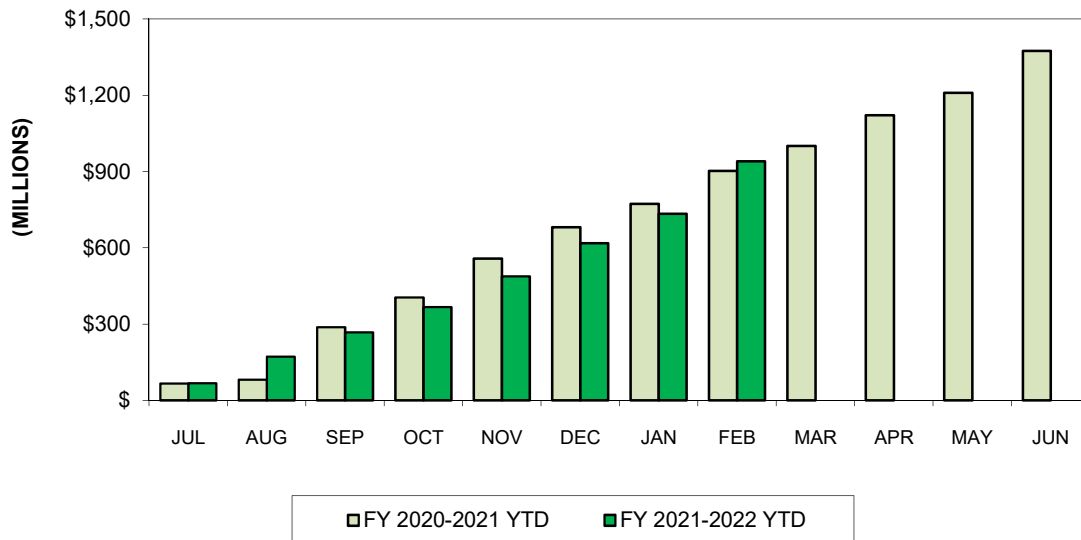
(5) Between September 2020 - February 2021, Tax and Revenue Anticipation Note (TRAN) payments totaled \$105.5 million, compared to \$142.8 million paid on the TRAN notes through February 2022.

(6) The General Fund cash balance generally increases in January of every year due to the bi-annual receipt of property taxes from Santa Clara County.

**GENERAL FUND
Comparison of YTD Revenues vs. Prior YTD Revenues
Actual**

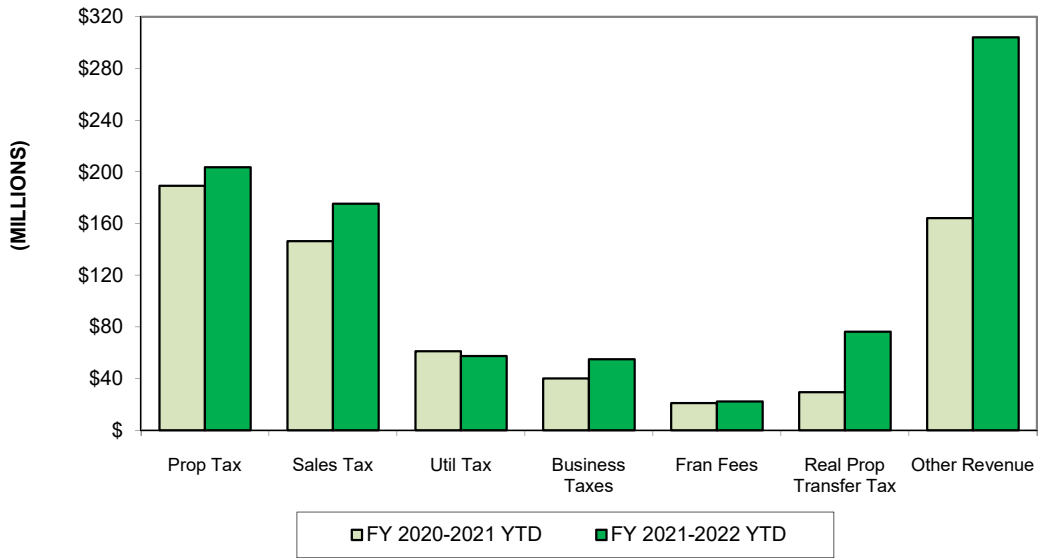


**GENERAL FUND
Comparison of YTD Expenditures vs. Prior YTD Expenditures
Actual**

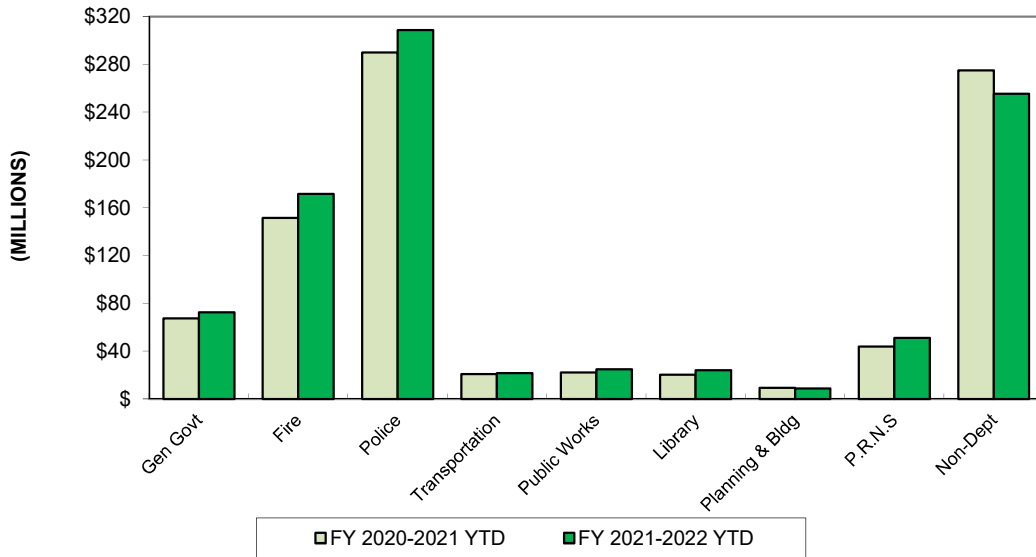


- Note:
- 1) Increase in revenues is primarily due to \$285.0 million received in Tax Revenue Anticipation Notes (TRAN) proceeds in FY 2022 compared to \$130.0 million in TRAN proceeds in FY 2021.
 - 2) The General Fund received a transfer of \$52.4 million from the American Rescue Plan Fund for revenue loss replacement.
 - 3) Real property transfer tax receipts grew by \$46.9 million due to an increase in property transfers subject to the tax.
 - 4) Year-over-year increase in property tax revenues of \$14.4 million is due to a growth in assessed values and \$8.4 million distributed from the Redevelopment Agency Property Tax Trust Fund after all obligations of the Successor Agency to the Redevelopment Agency were paid.
 - 5) Increase in expenditures is due to the payback of the TRAN debt of \$142.8 million from July 2021 - February 2022.

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) The Other Revenue category FY 2022 YTD actuals are \$304 million compared to \$164 million in FY 2021. Increase in Other Revenue is primarily due to \$285 million received in TRAN proceeds in FY 2022 compared to \$130 million received in TRAN proceeds in FY 2021.

2) Real property transfer tax receipts grew by \$46.9 million due to an increase in property transfers subject to the tax.

3) Year-over-year increase in property tax revenues of \$14.4 million is due to a growth in assessed values and \$8.4 million distributed from the Redevelopment Agency Property Tax Trust Fund after all obligations of the Successor Agency to the Redevelopment Agency were paid.

4) Increase in sales tax revenues is primarily due to an increase in taxpayer spending.

5) Decrease in non-department expenditures is due to timing differences in the TRAN repayment schedule and timing of other transfers out of the General Fund.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)

	ADOPTED FY 2021-2022 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2021-2022 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD %		PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
								YEAR-END ACTUAL	OF PRIOR ACTUAL			
Fund Balance												
Prior Year Encumbrances	-	-	56,701	56,701	56,701	100.00%	46,742	100.63%	46,451	9,959	21.31%	
Available Balance	321,188	47,992	-	369,180	369,180	100.00%	400,284	100.00%	400,284	(31,104)	-7.77%	
Total Fund Balance	321,188	47,992	56,701	425,881	425,881	100.00%	447,026	100.07%	446,735	(21,145)	-4.73%	
General Revenues												
Property Tax	395,500	11,000	-	406,500	203,649	50.10%	189,218	48.67%	388,760	14,431	7.63%	
Sales Tax	280,200	20,000	-	300,200	175,418	58.43%	146,347	51.53%	284,020	29,071	19.86%	
Telephone Line Tax	20,000	-	-	20,000	11,926	59.63%	10,414	49.89%	20,873	1,512	14.52%	
Transient Occupancy Tax	10,000	(1,000)	-	9,000	4,722	52.47%	2,737	50.60%	5,409	1,985	72.52%	
Franchise Fees	44,652	(0)	-	44,652	22,185	49.68%	21,014	46.06%	45,628	1,171	5.77%	
Utility Tax	97,060	-	-	97,060	57,404	59.14%	61,183	57.26%	106,846	(3,779)	-6.18%	
Business Taxes	74,500	8,000	-	82,500	54,861	66.50%	39,988	57.10%	70,036	14,873	37.19%	
Real Property Transfer Tax	40,000	50,000	-	90,000	76,308	84.79%	29,428	58.24%	50,531	46,880	159.30%	
Licenses and Permits	21,003	(551)	-	20,452	18,980	92.80%	17,946	92.55%	19,391	1,034	5.76%	
Fines, Forfeits and Penalties	8,676	-	-	8,676	9,151	105.47%	3,746	37.13%	10,090	5,405	144.29%	
Use of Money and Property	9,304	-	-	9,304	4,866	52.30%	5,340	60.72%	8,794	(474)	-8.88%	
Revenue from Local Agencies	18,784	3,542	-	22,326	10,328	46.26%	9,824	48.47%	20,270	504	5.13%	
Revenue from State of CA	13,247	10,758	-	24,005	8,110	33.78%	1,184	5.75%	20,598	6,926	584.97%	
Revenue from Federal Government	3,685	4,841	-	8,526	1,046	12.27%	659	18.31%	3,600	387	58.73%	
Fees, Rates and Charges	14,832	4,141	-	18,973	13,094	69.02%	3,872	52.20%	7,417	9,222	238.17%	
Other Revenues	9,242	313,587	-	322,829	304,116	94.20%	164,209	98.07%	167,442	139,907	85.20%	
Total General Revenues	1,060,685	424,317	-	1,485,002	976,164	65.73%	707,109	57.50%	1,229,705	269,055	38.05%	
Transfers & Reimbursements												
Overhead Reimbursements	68,557	12,698	-	81,255	47,486	58.44%	46,200	89.35%	51,707	1,286	2.78%	
Transfers from Other Funds	72,608	-	-	72,608	69,979	96.38%	18,882	50.20%	37,611	51,097	270.61%	
Reimbursements for Services	16,792	-	-	16,792	17,052	101.55%	17,534	50.62%	34,640	(482)	-2.75%	
Total Transfers & Reimbursements	157,957	12,698	-	170,655	134,517	78.82%	82,616	66.85%	123,958	51,901	62.82%	
Total Sources	1,539,831	485,007	56,701	2,081,539	1,536,562	73.82%	1,236,751	68.69%	1,800,398	299,811	24.24%	

(*) - 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 FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)

	ADOPTED FY 2021-2022 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2021-2022 BUDGET	YEAR-TO-DATE		CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (1)*	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (1)*	CUR YTD LESS PRIOR YTD ACTUAL (1)	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
					ACTUAL (*)	ENCUMBR						
General Government												
Mayor and Council	18,338	689	175	19,202	9,999	144	52.07%	8,541	62.74%	13,614	1,458	17.07%
City Attorney	16,830	1,084	1,253	19,167	11,192	1,458	58.39%	10,647	63.83%	16,681	545	5.12%
City Auditor	2,506	(1)	6	2,511	1,487	5	59.22%	1,428	63.41%	2,252	59	4.13%
City Clerk	2,651	420	319	3,390	2,316	92	68.32%	1,609	62.44%	2,577	707	43.94%
City Manager	21,671	645	1,238	23,554	11,644	1,352	49.44%	10,304	62.03%	16,611	1,340	13.00%
Finance	20,216	691	681	21,588	12,147	1,136	56.27%	11,545	64.09%	18,015	602	5.21%
Information Technology	25,795	292	3,159	29,246	12,709	3,291	43.46%	12,716	58.92%	21,582	(7)	-0.06%
Human Resources	10,448	630	565	11,643	6,663	1,950	57.40%	5,974	63.02%	9,479	709	11.87%
Independent Police Auditor	1,531	61	147	1,739	1,072	9	61.64%	882	64.47%	1,368	190	21.54%
Office of Economic Development	5,638	297	552	6,487	3,276	727	50.50%	3,619	65.14%	5,556	(343)	-9.48%
Total General Government	125,624	4,808	8,095	138,527	72,525	10,164	52.35%	67,265	62.44%	107,735	5,260	7.82%
Public Safety												
Fire	267,922	(2,687)	1,409	266,644	171,651	2,720	64.37%	151,447	63.21%	239,589	20,204	13.34%
Police	481,147	3,839	3,213	488,199	308,710	4,050	63.23%	289,915	62.73%	462,198	18,795	6.48%
Total Public Safety	749,069	1,152	4,622	754,843	480,361	6,770	63.64%	441,362	62.89%	701,797	38,999	8.84%
Capital Maintenance												
Transportation	37,517	49	1,197	38,763	21,591	2,444	55.70%	20,818	60.45%	34,440	773	3.71%
Public Works	38,480	757	1,410	40,647	24,864	4,676	61.17%	22,195	62.22%	35,674	2,669	12.03%
Total Capital Maintenance	75,997	806	2,607	79,410	46,455	7,120	58.50%	43,013	61.35%	70,114	3,442	8.00%
Community Service												
Housing	539	-	135	674	96	136	14.24%	80	34.63%	231	16	20.00%
Library	37,239	1,491	1,942	40,672	23,960	4,159	58.91%	20,321	59.87%	33,941	3,639	17.91%
Planning, Bldg & Code Enf.	15,414	402	586	16,402	8,858	584	54.01%	9,209	65.28%	14,106	(351)	-3.81%
Parks, Rec & Neigh Svcs	87,280	2,731	1,723	91,734	51,068	3,820	55.69%	43,949	60.78%	72,303	7,139	16.24%
Environmental Services	3,492	(51)	296	3,737	1,640	981	43.89%	2,168	53.90%	4,022	(528)	-24.35%
Total Community Services	143,964	4,573	4,682	153,219	85,642	9,680	55.90%	75,727	60.77%	124,603	9,915	13.09%
Total Dept. Expenditures	1,094,654	11,339	20,006	1,125,999	684,983	33,734	60.83%	627,367	62.47%	1,004,249	57,616	9.18%

(*) - 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.
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CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)

	ADOPTED FY 2021-2022 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2021-2022 BUDGET	YEAR-TO-DATE		CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (1)*	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (1)*	CUR YTD LESS PRIOR YTD ACTUAL (1)	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
					ACTUAL (*)	ENCUMBR						
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop.	20,638	38,417	9,687	68,742	13,983	9,171	20.34%	9,664	55.18%	17,515	4,319	44.69%
Environmental & Utility Services	1,932	869	56	2,857	1,266	367	44.31%	1,411	73.53%	1,919	(145)	-10.28%
Public Safety	21,704	8,833	799	31,336	15,641	421	49.91%	12,602	63.00%	20,003	3,039	24.12%
Recreation & Cultural Services	19,208	7,158	902	27,268	7,926	3,344	29.07%	9,398	52.87%	17,776	(1,472)	-15.66%
Transportation Services	4,406	2,113	6	6,525	2,659	6	40.75%	1,467	56.77%	2,584	1,192	81.25%
Strategic Support	53,137	294,727	5,402	353,266	163,294	5,874	46.22%	136,422	70.12%	194,542	26,872	19.70%
Total City-wide Expenditures	121,025	352,117	16,852	489,994	204,769	19,183	41.79%	170,964	67.22%	254,339	33,805	19.77%
Other Non-Dept Expenditures:												
Capital Improvements	84,117	(1,993)	19,843	101,967	22,410	32,391	21.98%	14,902	42.50%	35,060	7,508	50.38%
Transfers to Other Funds	30,391	2	-	30,393	28,092	-	92.43%	89,050	110.18%	80,824	(60,958)	-68.45%
Total Non-Dept Expenditures	235,533	350,126	36,695	622,354	255,271	51,574	41.02%	274,916	74.26%	370,223	(19,645)	-7.15%
Reserves												
Contingency Reserve	40,000	500	-	40,500	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	169,645	123,041	-	292,686	-	2,000	0.00%	-	0.00%	-	-	0.00%
Total Reserves	209,645	123,541	-	333,186	-	2,000	0.00%	-	0.00%	-	-	0.00%
Total Uses	1,539,831	485,007	56,701	2,081,539	940,254	87,308	45.17%	902,283	65.65%	1,374,472	37,971	4.21%

(*) - Current YTD Actual, 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.

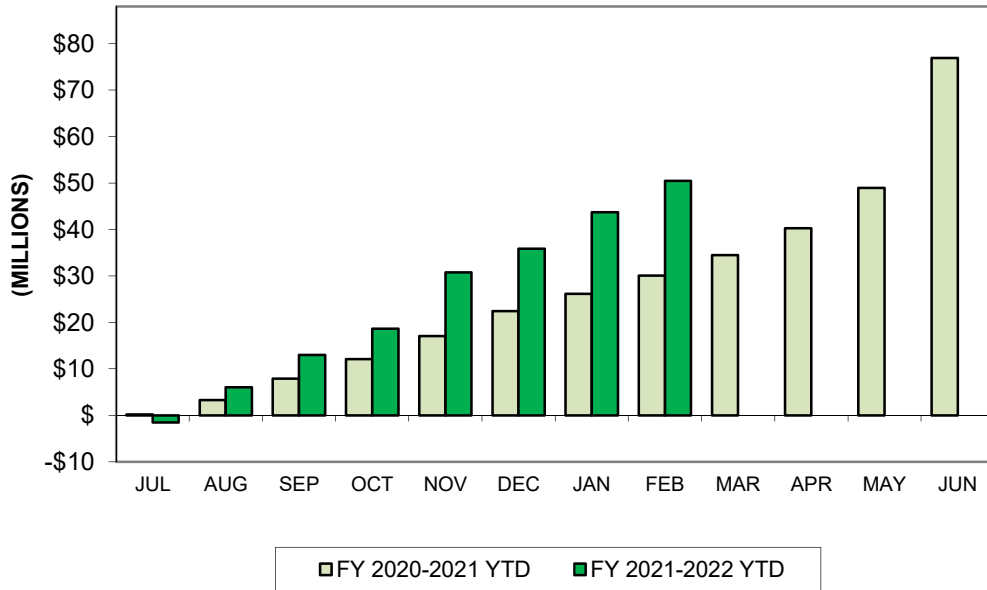
CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

	ADOPTED FY 2021-2022 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2021-2022 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
Police	978	-	-	978	371	37.93%	433	59.48%	728	(62)	-14.32%
Public Works	-	-	-	-	3	-	(172)	-62.55%	275	175	-101.74%
Transportation	1,796	-	-	1,796	922	51.34%	795	72.67%	1,094	127	15.97%
Library	72	-	-	72	22	30.56%	26	74.29%	35	(4)	-15.38%
Planning, Bldg & Code Enforcement	-	-	-	-	-	-	-	0.00%	-	-	0.00%
Parks Rec & Neigh Svcs	8,788	-	-	8,788	9,385	106.79%	722	34.56%	2,089	8,663	1199.86%
Miscellaneous Dept Charges	3,198	4,141	-	7,339	2,391	32.58%	2,068	64.71%	3,196	323	15.62%
Total Fees, Rates, and Charges	14,832	4,141	-	18,973	13,094	69.01%	3,872	52.20%	7,417	9,222	238.17%

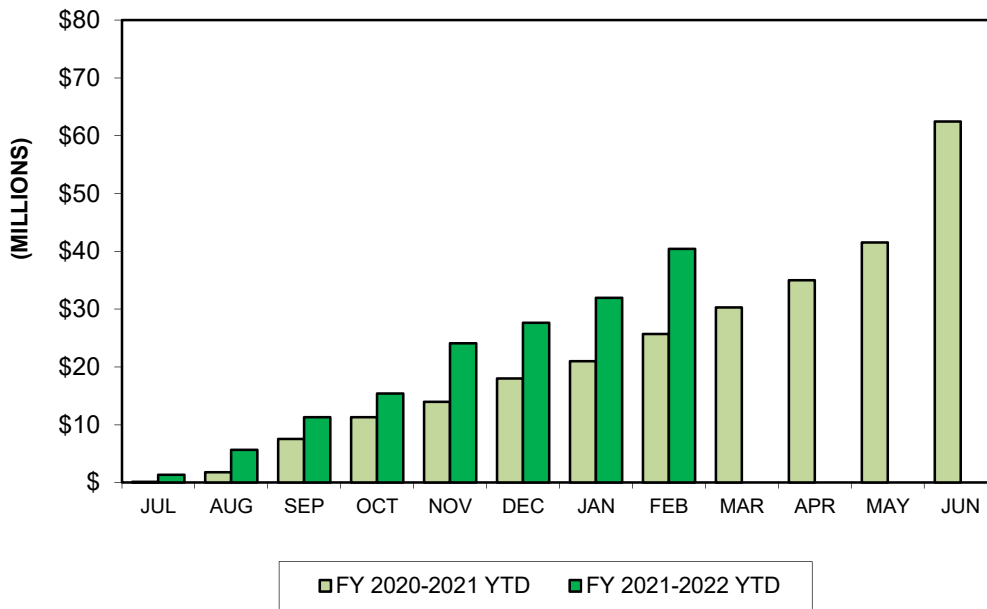
(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis 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**

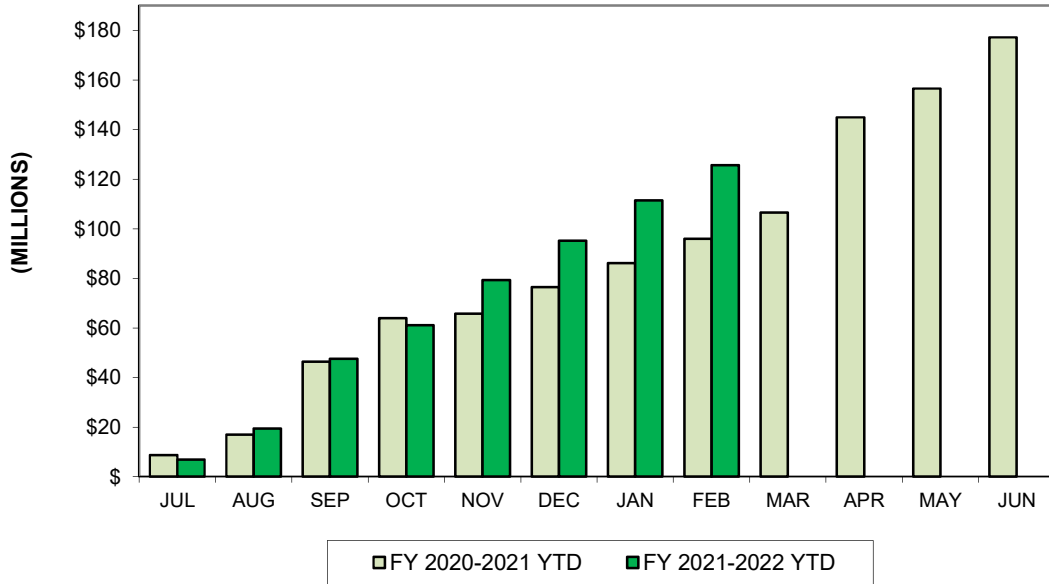


**CONSTRUCTION & CONVEYANCE TAX FUNDS 377-378 & 380-398
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

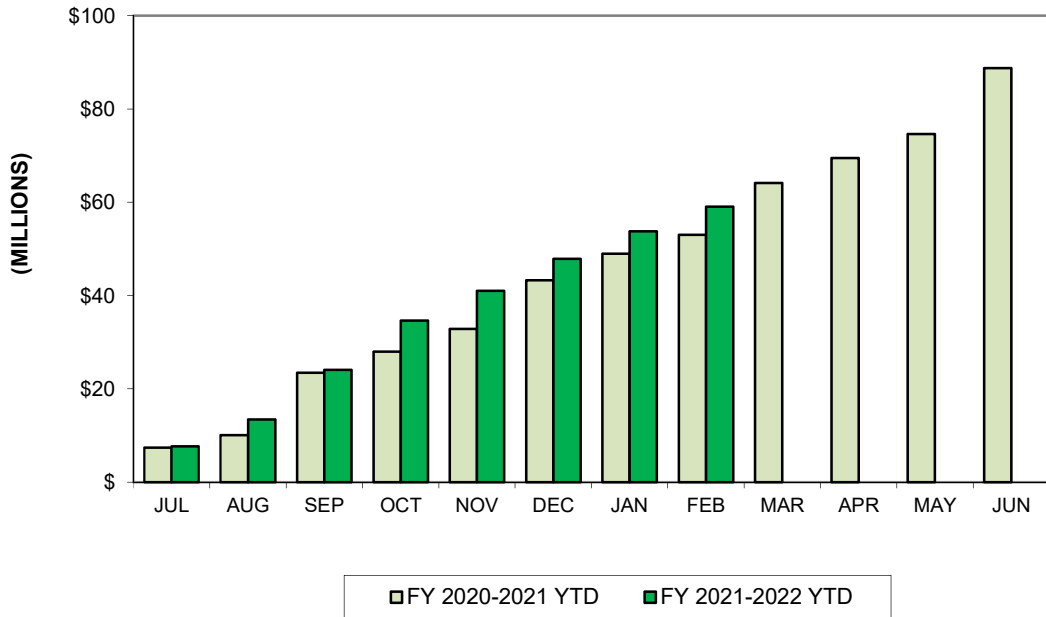


- Note: 1) Negative revenues in July 2021 is due to year-end adjustments (accrual reversals).
 2) Increase in expenditures is due to various flood projects in the City-Wide Parks (Fund 391), acquisition of materials in the Library C&C (Fund 393), the Silicon Valley Regional interoperability and the Silicon Valley Regional Communications Systems - Radios in the Communications C&C (Fund 397).
 3) Increase in revenues in November 2021 is due to a \$6.95 million transfer from the General Fund to support the Communications Capital Program's effort to maintain and replace radio equipment.

**AIRPORT REVENUE FUND 521
Comparison of YTD Revenues vs. Prior YTD Revenues**

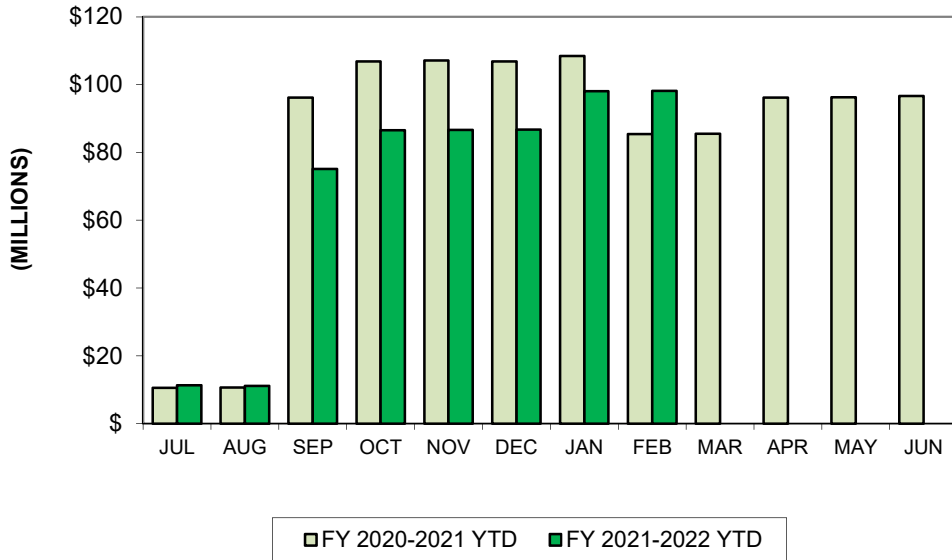


**AIRPORT MAINTENANCE & OPERATION FUND 523
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

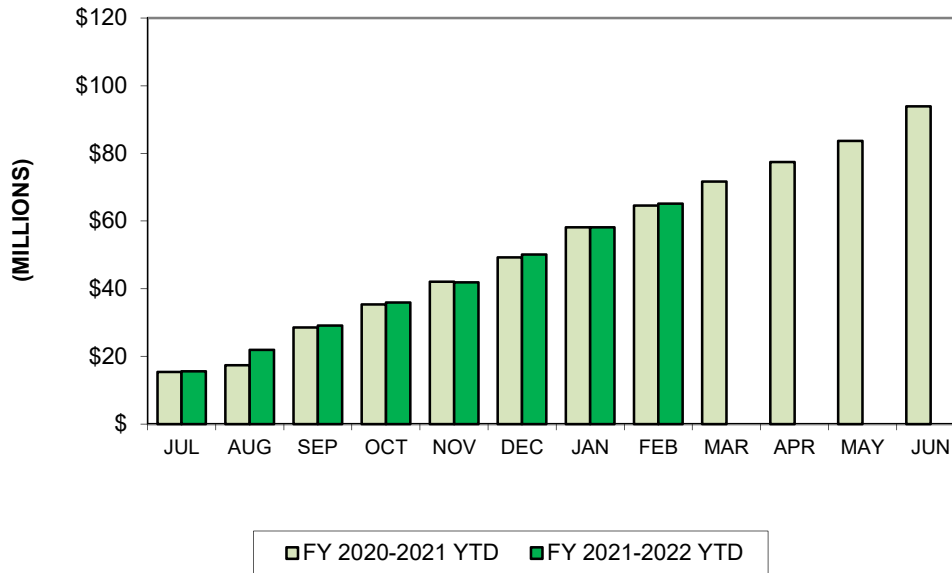


Note: 1) The Airport received CARES Act grant reimbursement of \$12.1 million in Coronavirus Response in September 2021 compared to \$18.9 million in September 2020. The Airport also received Relief Supplemental Appropriations (CRRSA) Act Concessions of \$3.0 million in September 2021, \$3.0 million in November 2021, \$2.8 million in December 2021, \$2.8 million in January 2022, \$1.8 million in February 2022 compared to \$0 in September 2020 - February 2021.
 2) Increase in passenger activity resulted in an overall increase in rentals/concession income, parking and landing fees' revenues.

**WPCP OPERATION FUND 513
Comparison of YTD Revenues vs. Prior YTD Revenues**

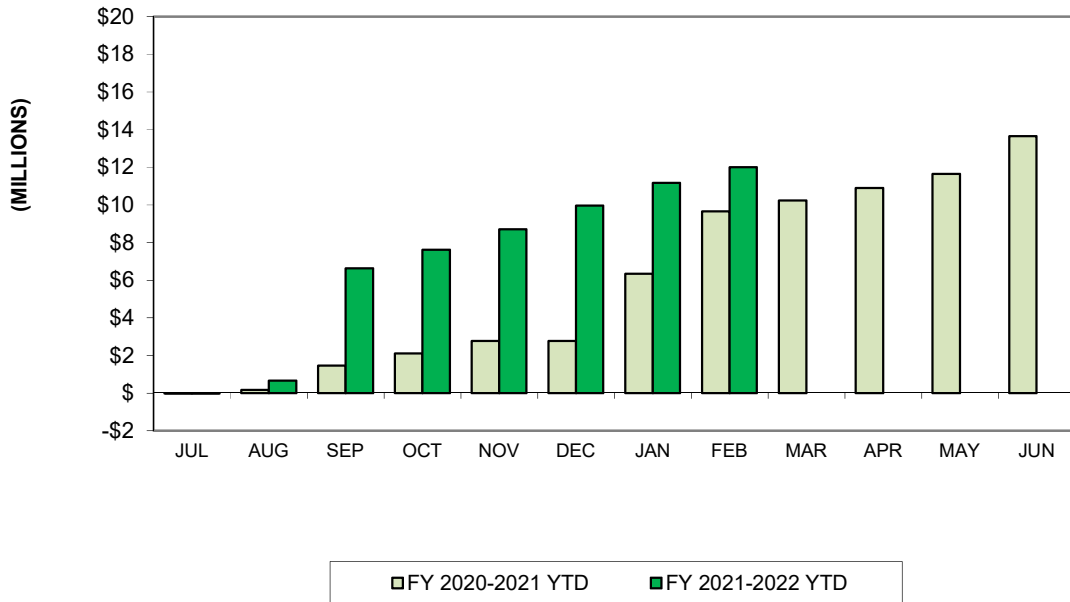


**WPCP OPERATION FUND 513
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

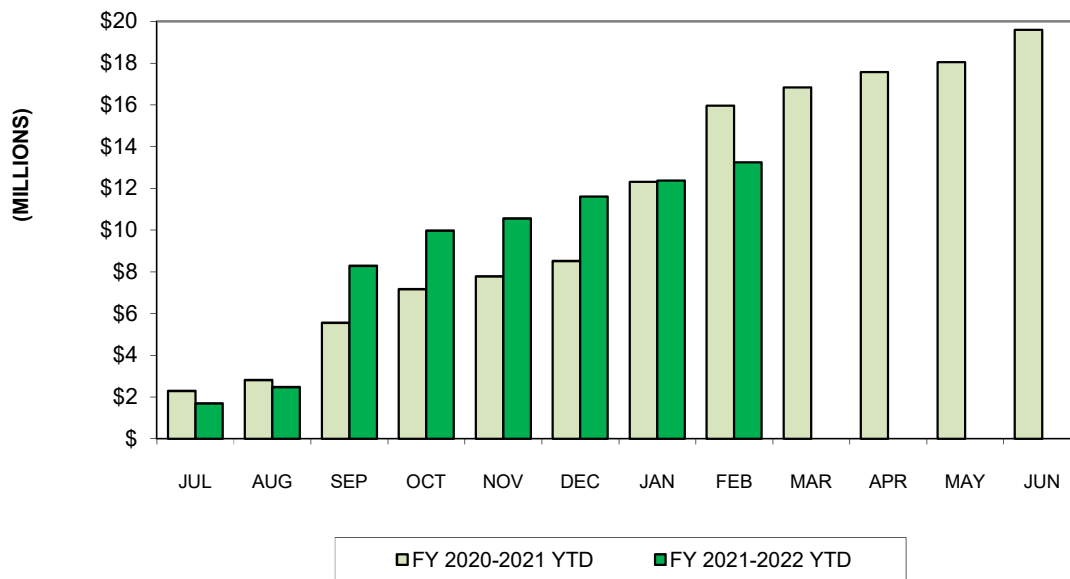


Note: Decrease in revenues in September 2021 is due to \$64.0 million transferred in from Sewer Service & Use Charge Fund (541); whereas \$85.5 million was transferred in September 2020.

**GENERAL PURPOSE PARKING FUNDS 533 & 559
Comparison of YTD Revenues vs. Prior YTD Revenues**

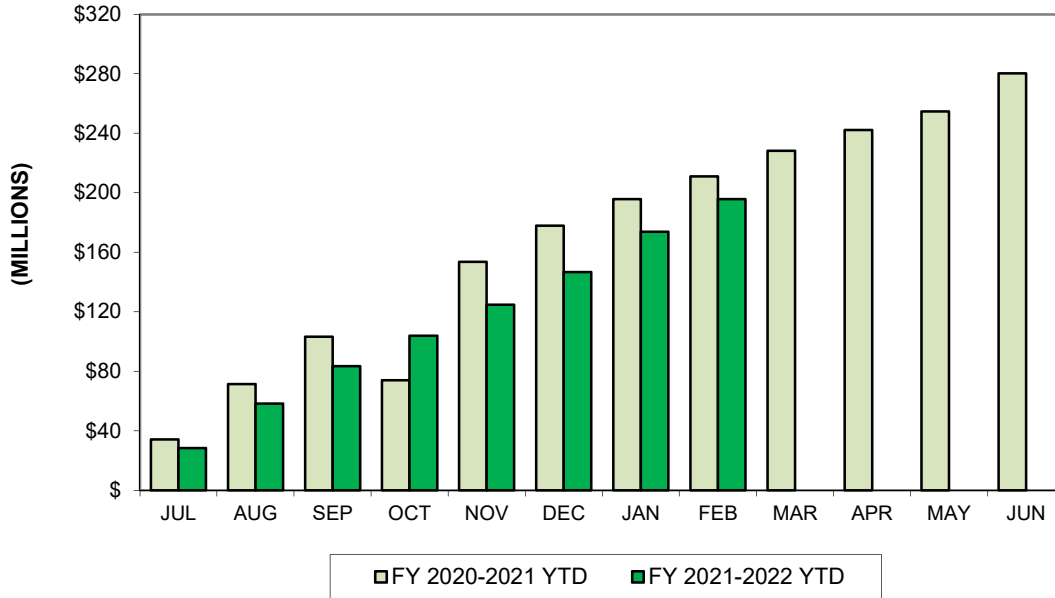


**GENERAL PURPOSE PARKING FUNDS 533 & 559
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

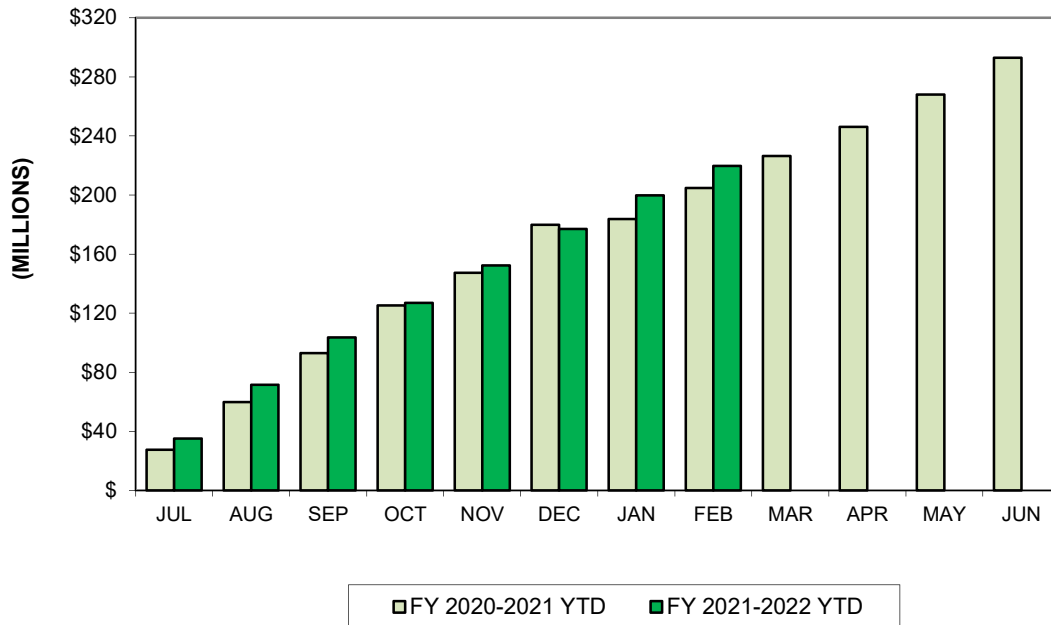


Note: 1) Increase in revenues and expenditures is due to a \$4.9 million transfer from the General Purpose Parking Capital Fund (559) to the General Purpose Parking Operating Fund (533) in September 2021.
 2) Year-to-year decrease in expenditures as of close of February 2022 is primarily due to the decrease in \$0.5 million of indirect overhead charge because of fewer full-time equivalents (FTE), control equipment purchase of \$0.6 million, downtown event parking dynamic message sign of \$0.4 million, and transfer out of \$0.8 million from Fund 559 to Fund 533.

**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: Decrease in Clean Energy revenue is due to a variance in electricity rates and energy load delivered. Clean Energy establishes rates to align with PG&E's rates, while shielding Clean Energy's customers from increased PG&E fees. As a result, Clean Energy's default rate plan (GreenSource) is lower than the rates compared to prior year.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2021-2022	BUDGET		FY 2021-2022	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	-	-	7,770	7,770	7,770	-	5,289
Beginning Fund Balance	77,562	21,741	-	99,303	99,303	-	85,176
Revenues	72,809	34,273	-	107,082	50,473	-	30,071
Total Sources	150,371	56,014	7,770	214,155	157,546	-	120,536
Total Uses	150,371	56,014	7,770	214,155	40,404	9,738	25,672
Airport							
Prior Year Encumbrance	-	-	23,498	23,498	23,498	-	11,424
Beginning Fund Balance	217,500	15,166	-	232,666	232,666	-	251,826
Revenues	437,053	32,634	-	469,687	254,632	-	235,533
Total Sources	654,553	47,800	23,498	725,851	510,796	-	498,783
Total Uses	654,553	47,800	23,498	725,851	215,025	40,188	270,010
Waste Water Treatment							
Prior Year Encumbrance	-	-	264,453	264,453	264,453	-	313,014
Beginning Fund Balance	235,009	(87,473)	-	147,536	147,536	-	156,220
Revenues	566,110	114,451	-	680,561	410,453	-	350,066
Total Sources	801,119	26,978	264,453	1,092,550	822,442	-	819,300
Total Uses	801,119	26,978	264,453	1,092,550	301,777	235,044	327,596
Parking							
Prior Year Encumbrance	-	-	8,355	8,355	8,355	-	9,548
Beginning Fund Balance	28,528	7,069	-	35,597	35,597	-	39,774
Revenues	12,882	-	-	12,882	11,999	-	9,646
Total Sources	41,410	7,069	8,355	56,834	55,951	-	58,968
Total Uses	41,410	7,069	8,355	56,834	13,247	8,774	15,950
Municipal Water							
Prior Year Encumbrance	-	-	4,894	4,894	4,894	-	6,507
Beginning Fund Balance	32,108	(932)	-	31,176	31,176	-	29,446
Revenues	65,459	-	-	65,459	40,638	-	38,517
Total Sources	97,567	(932)	4,894	101,529	76,708	-	74,470
Total Uses	97,567	(932)	4,894	101,529	41,286	4,828	40,944

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2021-2022	BUDGET		FY 2021-2022	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
Community Energy							
Prior Year Encumbrance	-	-	11,076	11,076	11,076	-	3,430
Beginning Fund Balance	43,752	(15,628)	-	28,124	28,124	-	50,526
Revenues	294,592	96,600	-	391,192	195,765	-	211,046
Total Sources	338,344	80,972	11,076	430,392	234,965	-	265,002
Total Uses	338,344	80,972	11,076	430,392	219,706	88,536	204,859
Gas Tax							
Revenues	16,000	-	-	16,000	7,811	-	8,293
Total Sources	16,000	-	-	16,000	7,811	-	8,293
Total Uses	16,000	-	-	16,000	7,811	-	8,293
Building and Structures							
Prior Year Encumbrance	-	-	4,757	4,757	4,757	-	6,353
Beginning Fund Balance	87,119	10,336	-	97,455	97,455	-	94,061
Revenues	74,121	500	-	74,621	14,594	-	23,862
Total Sources	161,240	10,836	4,757	176,833	116,806	-	124,276
Total Uses	161,240	10,836	4,757	176,833	14,572	5,282	15,324
Residential Construction							
Beginning Fund Balance	2,319	409	-	2,728	2,728	-	2,504
Revenues	240	-	-	240	89	-	154
Total Sources	2,559	409	-	2,968	2,817	-	2,658
Total Uses	2,559	409	-	2,968	61	-	40
Transient Occupancy Tax							
Prior Year Encumbrance	-	-	949	949	949	-	984
Beginning Fund Balance	393	1,676	-	2,069	2,069	-	4,284
Revenues	15,055	(1,500)	-	13,555	7,094	-	4,065
Total Sources	15,448	176	949	16,573	10,112	-	9,333
Total Uses	15,448	176	949	16,573	11,539	1,991	9,416
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	125	125	125	-	294
Beginning Fund Balance	2,524	645	-	3,169	3,169	-	10,440
Revenues	10,149	(867)	-	9,282	10,722	-	10,746
Total Sources	12,673	(222)	125	12,576	14,016	-	21,480
Total Uses	12,673	(222)	125	12,576	9,400	1,344	13,464

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2021-2022	BUDGET		FY 2021-2022	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
Golf							
Beginning Fund Balance	1,977	(7)	-	1,970	1,970	-	1,487
Revenues	850	-	-	850	505	-	10,652
Total Sources	2,827	(7)	-	2,820	2,475	-	12,139
Total Uses	2,827	(7)	-	2,820	143	-	1,207
CARES Act							
Prior Year Encumbrance	-	-	723	723	723	-	8,043
Beginning Fund Balance		10,866	-	10,866	10,866	-	(7,372)
Revenues	10,000	(7,039)	-	2,961	(17)	-	824
Total Sources	10,000	3,827	723	14,550	11,572	-	1,495
Total Uses	10,000	3,827	723	14,550	7,208	418	89,886
American Rescue Plan Act							
Prior Year Encumbrance	-	-	216	216	216	-	-
Beginning Fund Balance	130,955	(2,426)	-	128,529	128,529	-	-
Revenues	-	25,371	-	25,371	(202)	-	-
Total Sources	130,955	22,945	216	154,116	128,543	-	-
Total Uses	130,955	22,945	216	154,116	80,410	7,430	-
Emergency Reserve							
Beginning Fund Balance	413	(35,066)	-	(34,654)	(34,654)	-	-
Revenues	26,381	49,744	-	76,125	30,310	-	32,424
Total Sources	26,794	14,678	-	41,471	(4,344)	-	32,424
Total Uses	26,794	14,678	-	41,471	23,156	6,989	6,565
Low and Moderate Income Housing Asset							
Beginning Fund Balance	145,715	9,467	-	155,182	155,182	-	136,414
Revenues	17,000	19,099	-	36,099	26,661	-	19,661
Total Sources	162,715	28,566	-	191,281	181,842	-	156,075
Total Uses	162,715	28,566	-	191,281	32,756	42,562	17,028
Other Funds							
Prior Year Encumbrance	-	-	76,647	76,647	76,647	-	72,944
Beginning Fund Balance	333,660	10,132	-	343,792	343,792	-	260,953
Revenues	542,540	94,929	-	637,469	435,295	-	555,483
Total Sources	876,200	105,061	76,647	1,057,908	855,734	-	889,380
Total Uses	876,200	105,061	76,647	1,057,908	321,365	158,048	320,720

Note: Figures may not total due to rounding.

CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2021-2022	BUDGET		FY 2021-2022	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction Excise							
Prior Year Encumbrance	-	-	60,717	60,717	60,717	-	43,657
Beginning Fund Balance	151,118	33,987	-	185,105	185,105	-	270,965
Revenues	295,086	45,318	-	340,404	243,959	-	45,314
Total Sources	446,204	79,305	60,717	586,226	489,781	-	359,936
Total Uses	446,204	79,305	60,717	586,226	78,506	74,071	81,093
Other							
Prior Year Encumbrance	-	-	837	837	837	-	615
Beginning Fund Balance	23,932	75,607	-	99,539	99,539	-	29,581
Revenues	169	-	-	169	45	-	1,769
Total Sources	24,101	75,607	837	100,545	100,421	-	31,965
Total Uses	24,101	75,607	837	100,545	30,245	680	3,112

Note: Figures may not total due to rounding.

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2022
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2021-2022	BUDGET		FY 2021-2022	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Trust and Agency							
Prior Year Encumbrance	-	-	103	103	103	-	114
Beginning Fund Balance	5,003	6,696	-	11,699	11,699	-	10,208
Revenues	3,912	137	-	4,049	4,614	-	4,874
Total Sources	<u>8,915</u>	<u>6,833</u>	<u>103</u>	<u>15,851</u>	<u>16,416</u>	<u>-</u>	<u>15,196</u>
Total Uses	<u>8,915</u>	<u>6,833</u>	<u>103</u>	<u>15,851</u>	<u>3,688</u>	<u>103</u>	<u>3,887</u>

Note: Figures may not total due to rounding.