

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Renewal and Replacement Fund (527)			
Advanced Planning	Airport	\$500,000	
<p>This action increases the Advanced Planning appropriation by \$500,000, from \$1.1 million to \$1.6 million to fund an Environmental Impact Report (EIR) for Airport's Coleman Commercial Development project. The Airport is considering development of an area for commercial enterprises on Coleman Avenue in the Guadalupe Gardens area. Before development can occur, an EIR must be completed, and this additional funding will allow the work to be done.</p>			
Ending Fund Balance Adjustment	Finance	\$(500,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Airport Renewal and Replacement Fund (527) TOTAL			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Branch Libraries Bond Projects Fund (472)

Biblioteca Library Improvements	Library	\$300,000	
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This action increases the Biblioteca Library Improvements appropriation by \$300,000, from \$1.0 million to \$1.3 million. This funding will support community engagement in the process to determine and prioritize the primary needs of the Biblioteca Latinoamericana Branch Library, as well as construction management and administration. When grant funding availability was announced, the proposal submitted by the City to the State of California included approximately \$13.0 million in construction improvements to the Biblioteca Latinoamericana Branch Library. The final award of grant funding to support Biblioteca Latinoamericana improvements was \$3.6 million, with \$3.6 million in local match funding, for a total of \$7.2 million. Because of this gap of approximately \$5.8 million, some initially identified improvements will not be able to be funded. Community engagement meetings will be integral to the prioritization process to ensure that the Biblioteca Latinoamericana Branch Library receives valuable improvements for service and community support. A corresponding decrease to the Branch Efficiency Projects appropriation is recommended in this report to offset this action.

Branch Efficiency Projects	Library	\$(300,000)	
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This action decreases the Branch Efficiency Projects appropriation by \$300,000, from \$1.0 million to \$760,000. This action offsets the corresponding increase to the Biblioteca Library Improvements appropriation as recommended in this report.

Building Forward Library Infrastructure Grant - Local Match	Library	\$344,000	
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This action establishes the Building Forward Library Infrastructure Grant - Local Match appropriation in the amount of \$344,000 to reflect the City's match for the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million, with an equal commitment of \$8.7 million in local match funding. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023 and additional recommendations to recognize and appropriate the grant funding are included in the Library Construction and Conveyance Tax Fund in this report. The remaining \$7.7 million will be incorporated into the development of the 2024-2028 Proposed Capital Improvement Program. This action is offset by a corresponding decrease to the Facilities Improvements - Library appropriation as recommended in this report. The total local match needed in 2022-2023 is \$944,000: \$600,000 in the Library Construction and Conveyance Tax Fund and \$344,000 in the Branch Libraries Bond Projects Fund.

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Branch Libraries Bond Projects Fund (472)

Facilities Improvements - Library

Library

\$(344,000)

This action decreases the Facilities Improvements - Library appropriation by \$344,000, from \$3.6 million to \$3.2 million. This action offsets the corresponding action to establish the Building Forward Library Infrastructure Grant - Local Match appropriation in the amount of \$344,000 in the Branch Libraries Bond Projects Fund.

Branch Libraries Bond Projects Fund (472) TOTAL

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
North San José Multimodal Transportation Improvement Plan	Transportation	\$250,000	
<p>This action establishes the North San José Multimodal Transportation Improvement Plan (MTIP) appropriation in the amount of \$250,000 for a Sustainable Transportation Planning grant for the North San José MTIP. The grant was awarded in June 2022 to fund consultant procurement, existing conditions analysis, data collection, and outreach. The total grant award is \$409,451, and the remaining balance of \$159,451 will be programmed in the development of the 2024-2028 Proposed Capital Improvement Program. A corresponding action to increase the estimate for Revenue from State of California to recognize the grant funds is recommended to offset this action.</p>			
Revenue from State of California (Sustainable Transportation Planning Grant (STPG) - North San José MTIP)	Transportation		\$250,000
<p>This action increases the estimate for Revenue from State of California by \$250,000 to recognize funding for the Sustainable Transportation Planning grant for the North San José Multimodal Transportation Improvement Plan (MTIP). The grant was awarded in June 2022 to fund consultant procurement, existing conditions analysis, data collection, and outreach. The total grant award is \$409,451, and the remaining balance of \$159,451 will be programmed in the development of the 2024-2028 Proposed Capital Improvement Program. A corresponding action to establish the North San José Multimodal Transportation Improvement Plan (MTIP) appropriation is recommended to offset this action.</p>			
Revenue from State of California (Vision Zero: Senter Road)	Transportation		\$300,000
<p>This action increases the estimate for Revenue from State of California by \$300,000 to recognize state funds earmarked for the East San José Corridor Safety Improvement Project that will be used to fund project management staff, material, and installation of street light retrofits on Senter Road. The City will receive a total of \$10 million from the State for the East San José Corridor Safety Improvement Project that will be used to install more streetlights, build out bike lanes and other protective measures including a new traffic light at Senter Road and Balfour Drive to simplify the complex intersection, and add new signage. A memorandum is anticipated to be brought forward to the City Council in the February/March time frame to approve an agreement with Caltrans and receive the funds. The remaining \$9.7 million will be programmed in the development of the 2024-2028 Proposed Capital Improvement Program. A corresponding action to establish the Vision Zero: Senter Road and Balfour Drive Safety Improvements appropriation is recommended to offset this action.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
Vision Zero: Senter Road and Balfour Drive Safety Improvements	Transportation	\$300,000	
<p>This action establishes the Vision Zero: Senter Road and Balfour Drive Safety Improvements appropriation in the amount of \$300,000 to program State funds earmarked for the East San José Corridor Safety Improvement Project that will be used to fund project management staff, material, and installation of street light retrofits on Senter Road. The overall Senter Road project will install more street lights, build out bike lanes and other protective measures including a new traffic light at Senter Road and Balfour Drive to simplify the complex intersection, and add new signage. Additional radar speed signs will also be installed on nearby streets. The City will receive a total of \$10 million from the state, and a memorandum is anticipated to be brought forward to the City Council in the February/March time frame to approve an agreement with Caltrans and receive the funds. The remaining \$9.7 million will be programmed in the development of the 2024-2028 Proposed Capital Improvement Program. The Transportation Department has also applied for a \$40 million Safe Access grant to fully fund the Senter Road project along with the State funds of \$10 million, but the award will not happen until the March/April timeframe. The Department will wait on the award outcome to fully scope the Senter Road project. The \$300,000 will be used to order the streetlight retrofits for the portion of the project that will occur regardless of the outcome of the Safe Access grant award. A corresponding action to increase the estimate for Revenue from State of California to recognize the funds is recommended to offset this action.</p>			
Building and Structure Construction Tax Fund (429) TOTAL		\$550,000	\$550,000

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Communications Construction and Conveyance Tax Fund (397)			
Construction and Conveyance Tax	Public Works		\$(170,000)
<p>This action decreases the revenue estimate for Communications Construction and Conveyance Tax (C&C) by \$170,000 from \$1.7 million to \$1.5 million, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Finance	\$(170,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Communications Construction and Conveyance Tax Fund (397) TOTAL		\$(170,000)	\$(170,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Bicycle and Pedestrian Facilities	Transportation	\$700,000	
<p>This action increases the Bicycle and Pedestrian Facilities appropriation by \$700,000, from \$890,000 to \$1.6 million. The funds will primarily be used for the 10th/11th Street Transit Boarding Islands planned to be completed this fiscal year. These costs will be funded by 2022-2023 Transportation Development Act (TDA) grant funds awarded in August 2022. A separate action included in this report in the Major Collectors and Arterials Fund provides additional funding for this project. A corresponding action to increase the estimate for Revenue from State of California for the TDA grant funds is recommended to offset this action.</p>			
Congestion Management Program Dues	Transportation	\$35,000	
<p>This action increases the Congestion Management Program Dues appropriation by \$35,000, from \$959,000 to \$994,000 to fund the full cost of the Congestion Management Program annual dues per the Valley Transportation Authority. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Construction Excise Tax Revenue	Transportation		\$(2,000,000)
<p>This action decreases the revenue estimate for Construction Excise Tax by \$2.0 million, from \$16.0 million to \$14.0 million. Construction Excise Tax receipts totaled \$4.9 million through December, 30.9% of the 2022-2023 Adopted Budget estimate of \$16.0 million, reflecting lower than anticipated residential development permit activity partially offset by higher commercial activity. This collection level is 18.5% below prior year collections of \$6.1 million for the same period. Based on collections through December and a look at projects in the pipeline for the remainder of the fiscal year, tax receipts are expected to end the year approximately \$2.0 million below the budget estimate of \$16.0 million. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment - Construction Excise Tax Fund	Finance	\$(2,234,335)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Pavement Maintenance - VTA Measure B VRF	Transportation	\$(269,210)	
<p>This action decreases the Pavement Maintenance - VTA Measure B VRF appropriation by \$269,210, from \$14.2 million to \$13.9 million, to true up the expenses with the actual revenue allocation received in October 2022 from the Valley Transportation Authority (VTA). The funding is used for new pavement maintenance contracts in the second half of this fiscal year. A corresponding decrease to the estimate for Revenue from Local Agencies for Pavement Maintenance funding from the VTA VRF funds is recommended to offset this action.</p>			

Capital Funds Recommended Budget Adjustments Summary

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Revenue from Local Agencies (Pavement Maintenance - VTA Measure B VRF)	Transportation		\$(269,210)
<p>This action decreases the estimate for Revenue from Local Agencies by \$269,210. This action is based on the actual allocation received in October 2022 from the Valley Transportation Authority (VTA) which showed a decrease to the City's estimate for 2022-2023. The funding is used for new pavement maintenance contracts in the second half of this fiscal year. A corresponding decrease to the Pavement Maintenance - VTA Measure B VRF appropriation is recommended to offset this action.</p>			
Revenue from State of California (STP - San José Decision Support System)	Transportation		\$100,000
<p>This action increases the estimate for Revenue from State of California by \$100,000 to recognize funds from the Sustainable Transportation Planning (STP) state grant awarded June 2022 to fund the start of work on the Decision Support System deliverables, which consist of: 1) Potential Impact Assessment Model, to assess how potential completion of project(s) might affect relevant KPIs and thus contribute to the identified goal; 2) Effective Impact Assessment Model, to quantify the real impact of projects by comparing the effective KPI changes before and after each project's implementation; and 3) Public Interface, to increase transparency and accountability. The total grant award is \$265,000, and the remaining balance of \$165,000 will be programmed in the development of the 2024-2028 Proposed Capital Improvement Program. This action partially offsets a separate action included in this report to establish the San José Decision Support System appropriation.</p>			
Revenue from State of California (TDA - Bicycle and Pedestrian Facilities)	Transportation		\$700,000
<p>This action increases the estimate for Revenue from State of California by \$700,000 to recognize the remaining 2022-2023 Transportation Development Act (TDA) grant funds for bicycle and pedestrian facilities awarded in August 2022. The funds will be primarily used for the 10th/11th Street Transit Boarding Islands scheduled to enter into contracts in 2022-2023. A corresponding increase to Bicycle and Pedestrian Facilities appropriation is recommended to offset this action.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Revenue from the Federal Government (OTS - Vision Zero: Multimodal Traffic Safety Education)	Transportation		\$120,000

This action increases the estimate for Revenue from the Federal Government by \$120,000 to recognize new grant funds received from the Office of Traffic Safety for the Bicycle and Pedestrian Safety Program. The grant funds will be used to conduct best practice strategies to reduce the number of persons killed and injured in crashes involving pedestrians and bicyclists. The funded strategies may include classroom education, bicycle rodeos, community events, presentations, and workshops. These countermeasures should be conducted in communities with high numbers of pedestrian and/or bicycle related crashes including underserved communities, older adults, and school-aged children. Coordinated efforts such as Safe Routes to School initiatives, Safe System Approach, and working with community-based organizations are highly encouraged to prevent fatalities and injuries of vulnerable non-motorized road users. A corresponding action to increase the Vision Zero: Multimodal Traffic Safety Education appropriation is recommended to offset this action.

San José Decision Support System	Transportation	\$299,335	
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This action establishes the San José Decision Support System (DSS) appropriation in the amount of \$299,335 for consultant services to work on DSS deliverables: 1) Potential Impact Assessment Model, to assess how potential completion of project(s) might affect relevant KPIs and thus contribute to the identified goal; 2) Effective Impact Assessment Model, to quantify the real impact of projects by comparing the effective KPI changes before and after each project's implementation; and 3) Public Interface, to increase transparency and accountability. These costs are funded by a Sustainable Transportation Planning (STP) grant from the State of California. This action is recommended to be offset by an increase to the estimate for Revenue from State of California for STP grant funds (\$100,000) and a decrease to the Ending Fund Balance (\$199,335).

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Vision Zero: Multimodal Traffic Safety Education	Transportation	\$120,000	
<p>This action increases the Vision Zero: Multimodal Traffic Safety Education appropriation by \$120,000, from \$92,000 to \$212,000, to conduct best practice strategies to reduce the number of persons killed and injured in crashes involving pedestrians and bicyclists. The funded strategies may include classroom education, bicycle rodeos, community events, presentations, and workshops. These countermeasures should be conducted in communities with high numbers of pedestrian and/or bicycle related crashes including underserved communities, older adults, and school-aged children. Coordinated efforts such as Safe Routes to School initiatives, Safe System Approach, and working with community-based organizations are highly encouraged to prevent fatalities and injuries of vulnerable non-motorized road users. These costs are funded by a grant from the Office of Traffic Safety. A corresponding action to increase the estimate for Revenue from the Federal Government is recommended to offset this action.</p>			
Construction Excise Tax Fund (465) TOTAL		\$(1,349,210)	\$(1,349,210)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention and Cultural Affairs Capital Fund (560)			
Rehabilitation/Repair - Unanticipated This action increases the Rehabilitation / Repair - Unanticipated appropriation by \$100,000, from \$233,000 to \$333,000, as emergency repairs at the four theaters managed by Team San Jose have nearly exhausted current funding. This additional funding provides capacity for Team San Jose to address urgent repairs at the facilities in consultation with the City. This action is offset by a transfer from the Convention and Cultural Affairs Fund as recommended in this report.	Office of Economic Development and Cultural Affairs	\$100,000	
Transfers and Reimbursements (Transfer from the Convention and Cultural Affairs Fund) This action increases the revenue estimate for Transfers and Reimbursements to recognize a transfer from the Convention and Cultural Affairs Fund in the amount of \$100,000 to increase funding for the Rehabilitation / Repair - Unanticipated appropriation, as emergency repairs at the four theaters managed by Team San Jose have nearly exhausted current funding. This additional funding provides capacity for Team San Jose to address urgent repairs at the facilities in consultation with the City. A corresponding increase to the Rehabilitation/Repair – Unanticipated appropriation is recommended in this report to offset this action.	Office of Economic Development and Cultural Affairs		\$100,000
Convention and Cultural Affairs Capital Fund (560) TOTAL		\$100,000	\$100,000

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention Center Facilities District Capital Fund (798)			
Convention Center Rehabilitation/Repair - Unanticipated	Office of Economic Development and Cultural Affairs	\$100,000	
<p>This action increases the Convention Center Rehabilitation/Repair - Unanticipated appropriation by \$100,000, from \$150,000 to \$250,000, as emergency repairs at the convention facilities managed by Team San Jose have exhausted current funding. This additional funding provides capacity for Team San Jose to address urgent repairs at the facilities in consultation with the City. This action is offset by a transfer from the Convention Center Facility District Revenue Fund as recommended in this report.</p>			
Transfers and Reimbursements (Transfer from the Convention Center Facility District Revenue Fund)	Office of Economic Development and Cultural Affairs		\$100,000
<p>This action increases the revenue estimate for Transfers and Reimbursements to recognize a transfer from the Convention Center Facility District Revenue Fund by \$100,000, from \$1.1 million to \$1.2 million, to increase the Convention Center Rehabilitation/Repair - Unanticipated appropriation as emergency repairs at the convention facilities managed by Team San Jose have exhausted current funding. This additional funding provides capacity for Team San Jose to address urgent repairs at the facilities in consultation with the City. A corresponding increase to the Convention Center Rehabilitation/Repair – Unanticipated appropriation is recommended in this report to offset this action.</p>			
Convention Center Facilities District Capital Fund (798) TOTAL		\$100,000	\$100,000

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 1 Construction and Conveyance Tax Fund (377)			
Council District 1 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(249,000)
<p>This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$249,000, from \$1,058,000 to \$809,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Council District 1 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
<p>This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Cypress Community Center Roof Replacement	Parks, Recreation and Neighborhood Services	\$90,000	
<p>This action establishes the Cypress Community Center Roof Replacement appropriation in the Council District 1 Construction and Conveyance Tax Fund. This project has funding totaling \$220,000 allocated in the Subdivision Park Trust Fund; however, as the cost of building materials and labor has increased, additional funding of \$90,000 is needed to replace the roof at the community center. A corresponding action to decrease the Ending Fund Balance is recommended in this report to offset the action.</p>			
Ending Fund Balance Adjustment	Finance	\$(375,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Council District 1 Construction and Conveyance Tax Fund (377) TOTAL		\$(285,000)	\$(285,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 10 Construction and Conveyance Tax Fund (389)			
Council District 10 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(54,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$54,000, from \$228,000 to \$174,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 10 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(90,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 10 Construction and Conveyance Tax Fund (389) TOTAL		\$(90,000)	\$(90,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 2 Construction and Conveyance Tax Fund (378)			
Council District 2 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(130,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$130,000, from \$550,000 to \$420,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 2 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(166,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 2 Construction and Conveyance Tax Fund (378) TOTAL		\$(166,000)	\$(166,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 3 Construction and Conveyance Tax Fund (380)			
Council District 3 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(103,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$103,000, from \$433,000 to \$330,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 3 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(139,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 3 Construction and Conveyance Tax Fund (380) TOTAL		\$(139,000)	\$(139,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 4 Construction and Conveyance Tax Fund (381)			
Council District 4 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(50,000)
<p>This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$50,000, from \$212,000 to \$162,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Council District 4 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
<p>This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Ending Fund Balance Adjustment	Finance	\$(86,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Council District 4 Construction and Conveyance Tax Fund (381) TOTAL		\$(86,000)	\$(86,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 5 Construction and Conveyance Tax Fund (382)			
Council District 5 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(234,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$234,000, from \$990,000 to \$756,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 5 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(270,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL		\$(270,000)	\$(270,000)

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 6 Construction and Conveyance Tax Fund (384)			
Bascom Community Center Marquee	Parks, Recreation and Neighborhood Services	\$26,000	
<p>This action increases the Bascom Community Center Marquee appropriation in the amount of \$26,000, from \$82,000 to \$108,000. This project provides funding to remove the old marquee and install a new marquee at Bascom Community Center. Due to construction bid responses being higher than anticipated, additional funding of \$26,000 is recommended to be allocated to the project. A corresponding action to decrease the Ending Fund Balance is recommended in this report to offset the action.</p>			
Council District 6 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(125,000)
<p>This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$125,000, from \$532,000 to \$407,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Council District 6 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
<p>This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.</p>			
Ending Fund Balance Adjustment	Finance	\$(187,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Hanchett Park Development	Parks, Recreation and Neighborhood Services	\$300,000	
<p>This action establishes the Hanchett Park Development appropriation in the amount of \$300,000. This funding will partially support design and soft costs associated with the development of a future park at Hanchett Avenue and The Alameda. Funding is recommended to be allocated at this time to allow for the design contract to be awarded in spring 2023. As the design process progresses, additional funding needs will be identified and requested through future budget processes. A corresponding action to decrease the Hanchett Park Reserve is recommended in this report to offset the action.</p>			
Hanchett Park Reserve	Parks, Recreation and Neighborhood Services	\$(300,000)	
<p>This action decreases the Hanchett Park Reserve to offset an action recommended in this report.</p>			
Council District 6 Construction and Conveyance Tax Fund (384) TOTAL		\$(161,000)	\$(161,000)

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 7 Construction and Conveyance Tax Fund (385)			
Council District 7 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(222,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$222,000, from \$940,000 to \$718,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 7 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(258,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 7 Construction and Conveyance Tax Fund (385) TOTAL		\$(258,000)	\$(258,000)

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 8 Construction and Conveyance Tax Fund (386)			
Council District 8 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(121,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$121,000, from \$513,000 to \$392,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 8 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(157,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 8 Construction and Conveyance Tax Fund (386) TOTAL		\$(157,000)	\$(157,000)

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Council District 9 Construction and Conveyance Tax Fund (388)			
Council District 9 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services		\$(165,000)
This action decreases the Needs-Based Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$165,000, from \$697,000 to \$532,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Council District 9 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services		\$(36,000)
This action decreases the Special Needs Transfer allocation from the Parks Central Construction and Conveyance Tax Fund by \$36,000, from \$154,000 to \$118,000, to account for lower than anticipated Construction and Conveyance Tax revenue collections. A corresponding action to decrease the Ending Fund Balance is recommended to offset the action.			
Ending Fund Balance Adjustment	Finance	\$(201,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
Council District 9 Construction and Conveyance Tax Fund (388) TOTAL		\$(201,000)	\$(201,000)

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Construction and Conveyance Tax Fund (392)			
Capital Program and Public Works Department Support Services Costs	Public Works	\$60,000	
<p>This action increases the Capital Program and Public Works Department Support Services Costs allocation by \$60,000, from \$13,000 to \$73,000, to reflect the anticipated direct labor and professional services costs incurred by the Public Works Department related to the Fire Facilities Remediation project. The funding was originally allocated in the project, but it is recommended to reallocate the funds to the Capital Program and Public Works Department Support Services Costs appropriation as the expenditures will be charged against this appropriation. This action is offset by a decrease to the Fire Facilities Remediation appropriation recommended elsewhere in this report.</p>			
Construction and Conveyance Tax	Fire		\$(420,000)
<p>This action decreases the Fire Construction and Conveyance Tax (C&C) revenue estimate by \$420,000, from \$4.2 million to \$3.8 million, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Finance	\$(420,000)	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Construction and Conveyance Tax Fund (392)			
Fire Facilities Remediation	Fire	\$(60,000)	
<p>This action decreases the Fire Facilities Remediation appropriation in the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes by \$60,000, from \$2.6 million to \$2.5 million, and reallocates this funding to the Capital Program and Public Works Department Support Service Costs appropriation to cover direct labor and professional services costs incurred by the Public Works Department to support this project. A related action to increase the Capital Program and Public Works Department Support Service Costs is recommended elsewhere in this report.</p>			
Fire Construction and Conveyance Tax Fund (392) TOTAL		\$(420,000)	\$(420,000)

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
General Purpose Parking Capital Fund (559)			
Ending Fund Balance Adjustment	Finance	\$(101,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
Capital Program and Public Works Department Support Services Costs	Public Works	\$101,000	
This action increases the Capital Program and Public Works Department Support Services Costs allocation by \$101,000, from \$82,000 to \$183,000, to reflect higher than anticipated direct labor and professional services costs incurred by the Public Works Department for projects in the General Purpose Parking Capital Fund. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.			
General Purpose Parking Capital Fund (559) TOTAL		_____	_____

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Library Construction and Conveyance Tax Fund (393)

Branch Efficiency Projects

Library

\$(100,000)

This action decreases the Branch Efficiency Projects appropriation by \$100,000, from \$177,000 to \$77,000. This action is part of a series of actions related to the local match funding necessary for the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million, with an equal commitment of \$8.7 million in local match funding. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the development of the 2024-2028 Proposed Capital Improvement Program. This action partially offsets the establishment of the Building Forward Library Infrastructure Grant - Local Match appropriation as recommended elsewhere in this report. The total local match needed in 2022-2023 is \$944,000: \$600,000 in the Library Construction and Conveyance Tax Fund and \$344,000 in the Branch Libraries Bond Projects Fund.

Building Forward Library Infrastructure Grant

Library

\$944,000

This action establishes the Building Forward Library Infrastructure Grant appropriation in the amount of \$944,000 to appropriate grant funding from the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the development of the 2024-2028 Proposed Capital Improvement Plan. To offset this action, a corresponding increase to the estimate for Revenue from State of California is also recommended in this report.

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Library Construction and Conveyance Tax Fund (393)

Building Forward Library Infrastructure Grant - Local Match	Library	\$600,000	
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This action establishes the Building Forward Library Infrastructure Grant - Local Match appropriation in the amount of \$600,000, offset by decreases to the Branch Efficiency Projects, Facilities Improvements - Library, and General Equipment and Furnishings appropriations. This action is part of a series of actions related to the local match funding necessary for the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million, with an equal commitment of \$8.7 million in local match funding. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the development of the 2024-2028 Proposed Capital Improvement Plan. The total local match needed in 2022-2023 is \$944,000: \$600,000 in the Library Construction and Conveyance Tax Fund and \$344,000 in the Branch Libraries Bond Projects Fund.

Capital Program and Public Works Department Support Services Costs	Public Works	\$6,000	
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This action increases the Capital Program and Public Works Department Support Services Costs allocation by \$6,000, from \$1,000 to \$7,000, to reflect higher than anticipated direct labor and professional services costs incurred by the Public Works Department for projects in the Construction and Conveyance Tax Fund: Library Purposes. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Library Construction and Conveyance Tax Fund (393)			
Construction and Conveyance Tax	Library		\$(711,000)

This action decreases the Library Construction and Conveyance Tax (C&C) revenue estimate by \$711,000, from \$7.1 million to \$6.4 million, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.

Ending Fund Balance Adjustment	Finance	\$(717,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Facilities Improvements - Library	Library	\$(300,000)	
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This action decreases the Facilities Improvements - Library appropriation by \$300,000, from \$1.0 million to \$742,000. This action is part of a series of actions related to the local match funding necessary for the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million, with an equal commitment of \$8.7 million in local match funding. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the development of the 2024-2028 Proposed Capital Improvement Plan. This action partially offsets the establishment of the Building Forward Library Infrastructure Grant - Local Match appropriation as recommended elsewhere in this report. The total local match needed in 2022-2023 is \$944,000: \$600,000 in the Library Construction and Conveyance Tax Fund and \$344,000 in the Branch Libraries Bond Projects Fund.

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Library Construction and Conveyance Tax Fund (393)			
General Equipment and Furnishings	Library	\$(200,000)	
<p>This action decreases the General Equipment and Furnishings appropriation by \$200,000, from \$459,000 to \$259,000. This action is part of a series of actions related to the local match funding necessary for the Building Forward Library Infrastructure Grant. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million, with an equal commitment of \$8.7 million in local match funding. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the 2024-2028 Proposed Capital Improvement Program. This action partially offsets the establishment of the Building Forward Library Infrastructure Grant - Local Match appropriation as recommended elsewhere in this report. The total local match needed in 2022-2023 is \$944,000: \$600,000 in the Library Construction and Conveyance Tax Fund and \$344,000 in the Branch Libraries Bond Projects Fund.</p>			
Revenue from State of California (Building Forward Library Infrastructure Grant)	Library		\$944,000
<p>This action establishes an estimate for Revenue from State of California by \$944,000 to recognize the Building Forward Library Infrastructure Grant funding to be received in 2022-2023. The Building Forward Library Infrastructure Grant is a newly established program of the California Library System, providing grant funding to California's public libraries for capital projects addressing critical maintenance needs, improving energy efficiency and sustainability, and expanding access digitally and physically. The first round of the grant awarded to the San José Public Library is \$8.7 million. Of this amount, \$944,000 is expected to be spent or encumbered in 2022-2023, with the remaining \$7.7 million to be incorporated into the development of the 2024-2028 Proposed Capital Improvement Plan. This action offsets the establishment of the Building Forward Library Infrastructure Grant appropriation as recommended elsewhere in this report.</p>			
Library Construction and Conveyance Tax Fund (393) TOTAL		\$233,000	\$233,000

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Major Collectors and Arterials Fund (421)

10th & 11th Street Transit Boarding Islands		\$495,000	
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This action establishes the 10th and 11th Street Transit Island Boarding Islands appropriation in the amount of \$495,000. This funding will supplement the Transportation Development Act funds in the Construction Excise Tax Fund to improve the safety of pedestrians and bicyclists by installing Transit Boarding Islands (TBI) and pedestrian refuge islands near the TBIs where feasible. The TBIs will be installed along 10th Street, 11th Street, East San Fernando Street, and East San Salvador Street. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Finance	\$(495,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Major Collectors and Arterials Fund (421) TOTAL

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Park Yards Construction and Conveyance Tax Fund (398)			
<p>Construction and Conveyance Tax</p> <p>This action decreases the Park Yards Construction and Conveyance Tax (C&C) revenue estimate by \$60,000, from \$600,000 to \$540,000, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>	Parks, Recreation and Neighborhood Services		\$(60,000)
Ending Fund Balance Adjustment	Finance	\$(51,000)	
This action decreases the Ending Fund Balance to offset actions recommended in this report.			
Transfer to General Fund - Park Yards Operating and Maintenance Expenses	Parks, Recreation and Neighborhood Services	\$(9,000)	
This action decreases the transfer to the General Fund for operating and maintenance costs by \$9,000, from \$90,000 to \$81,000, to account for lower than anticipated Park Yards Construction and Conveyance Tax (C&C) revenue collections. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.			
Park Yards Construction and Conveyance Tax Fund (398) TOTAL		\$(60,000)	\$(60,000)

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Construction and Conveyance Tax	Parks, Recreation and Neighborhood Services		\$(3,200,000)
<p>This action decreases the Parks Central Construction and Conveyance Tax (C&C) revenue estimate by \$3.2 million, from \$32.0 million to \$28.8 million, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Council District 1 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(249,000)	
<p>This action decreases the Needs-Based Transfer to the Council District 1 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 1 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
<p>This action decreases the Special Needs Transfer to the Council District 1 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 10 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(54,000)	
<p>This action decreases the Needs-Based Transfer to the Council District 10 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.</p>			
Council District 10 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
<p>This action decreases the Special Needs Transfer to the Council District 10 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.</p>			

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Council District 2 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(130,000)	
This action decreases the Needs-Based Transfer to the Council District 2 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 2 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 2 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 3 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(103,000)	
This action decreases the Needs-Based Transfer to the Council District 3 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 3 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 3 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 4 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(50,000)	
This action decreases the Needs-Based Transfer to the Council District 4 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 4 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 4 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 5 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(234,000)	
This action decreases the Needs-Based Transfer to the Council District 5 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Council District 5 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 5 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 6 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(125,000)	
This action decreases the Needs-Based Transfer to the Council District 6 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 6 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 6 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 7 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(222,000)	
This action decreases the Needs-Based Transfer to the Council District 7 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 7 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 7 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 8 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(121,000)	
This action decreases the Needs-Based Transfer to the Council District 8 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 8 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 8 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Council District 9 C&C Tax Fund: Needs-Based Transfer	Parks, Recreation and Neighborhood Services	\$(165,000)	
This action decreases the Needs-Based Transfer to the Council District 9 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Council District 9 C&C Tax Fund: Special Needs Transfer	Parks, Recreation and Neighborhood Services	\$(36,000)	
This action decreases the Special Needs Transfer to the Council District 9 Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Transfer to the General Fund Parks Eligible Maintenance Costs	Parks, Recreation and Neighborhood Services	\$(480,000)	
This action decreases the transfer to the General Fund for operating and maintenance costs to account for lower than anticipated Parks Central Construction and Conveyance Tax (C&C) revenue collections. Per previous City Council direction, 15% of all the Parks C&C Tax revenue may be transferred to the General Fund for operating and maintenance costs associated with the Parks, Recreation and Neighborhood Services Department.			
Transfer to the Parks City-Wide C&C Tax Fund	Parks, Recreation and Neighborhood Services	\$(907,000)	
This action decreases the transfer allocation to the Parks City-Wide Construction and Conveyance Tax Fund to account for lower than anticipated Construction and Conveyance Tax revenue collections.			
Parks Central Construction and Conveyance Tax Fund (390) TOTAL		\$(3,200,000)	\$(3,200,000)

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks City-Wide Construction and Conveyance Tax Fund (391)			
Guadalupe Gardens Prototype Park (Dog Park)	Parks, Recreation and Neighborhood Services	\$150,000	
<p>This action establishes the Guadalupe Gardens Prototype Park appropriation in the Parks City-Wide Construction and Conveyance Tax Fund. This project has funding totaling \$100,000 allocated in the Subdivision Park Trust Fund and \$353,000 allocated in the Guadalupe Gardens Fencing appropriation in the Airport Renewal and Replacement Fund for the construction of a prototype dog park to create more of an active and recreational public space for Guadalupe Gardens. However, due to construction bid responses being higher than anticipated for the park portion of the project scope, such as the small and large dog areas, dog drinking fountains and site furnishing, an additional funding of \$150,000 is recommended to be allocated from the Parks City-Wide Construction and Conveyance Tax Fund. A corresponding action to decrease the Guadalupe River Park Infrastructure Repair Reserve is recommended in this report to offset the action.</p>			
Guadalupe River Park Infrastructure Repair Reserve	Parks, Recreation and Neighborhood Services	\$(150,000)	
<p>This action decreases the Guadalupe River Park Infrastructure Repair Reserve to offset an action recommended in this report.</p>			
Happy Hollow Park and Zoo Public Announcement System	Parks, Recreation and Neighborhood Services	\$180,000	
<p>This action increases the Happy Hollow Park and Zoo Public Announcement System appropriation in the amount of \$180,000, from \$200,000 to \$380,000. This project provides funding to upgrade and replace the current public announcement system at Happy Hollow Park and Zoo to maintain communication to park visitors of potential emergencies. However, as materials and costs have been higher than anticipated, additional funding is needed to complete the project. A corresponding action to decrease the Infrastructure Backlog Reserve is recommended in this report to offset the action.</p>			
Infrastructure Backlog Reserve	Parks, Recreation and Neighborhood Services	\$(276,000)	
<p>This action decreases the Infrastructure Backlog Reserve to offset actions recommended in this report.</p>			
Matching Grant Reimbursement Reserve	Parks, Recreation and Neighborhood Services	\$(1,244,000)	
<p>This action decreases the Matching Grant Reimbursement Reserve to offset an action recommended in this report.</p>			

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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Parks City-Wide Construction and Conveyance Tax Fund (391)

TRAIL: Coyote Creek (Mabury Road to Empire Street)	Parks, Recreation and Neighborhood Services	\$1,340,000	
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This action increases the TRAIL: Coyote Creek (Mabury Road to Empire Street) appropriation in the amount of \$1.3 million. Funding of \$345,000 had previously been allocated for this project in the Subdivision Park Trust Fund. Additional funding of \$9.8 million (\$8.44 million from the Subdivision Park Trust Fund and \$1.34 million from the Parks City-Wide Construction and Conveyance Tax Fund) is recommended to be allocated, bringing the total project funding to \$10.1 million. The Federal Active Transportation Program (ATP) Grant reimbursement has set a deadline of May 2023 for a bid contract to be awarded for this project. Due to these timing requirements, it is recommended to allocate the project funding as part of this report, which will allow for the bid to be awarded in a timely fashion to meet the ATP Grant reimbursement deadline. A separate City Council memorandum will be presented to the City Council in February 2023 that further details the project and requests authorization for the Public Works Director to award the construction project when bids are received in May 2023. A corresponding action to decrease the Matching Grants Reimbursement Reserve (\$1.2 million) and the Infrastructure Backlog Reserve (\$96,000) is recommended in this report to offset the action.

Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Service Yards Construction and Conveyance Tax Fund (395)			
Construction and Conveyance Tax	Public Works		\$(439,000)
<p>This action decreases the Service Yards Construction and Conveyance Tax (C&C) revenue estimate by \$439,000 from \$4.4 million to \$4.0 million, due to lower than anticipated C&C Tax revenue collections. The overall C&C Tax revenue estimate is recommended to decrease by \$5.0 million (from \$50.0 million to \$45.0 million) to reflect actual collection trends. C&C collections are driven by activity in the local real estate market. When the 2022-2023 Adopted Capital Budget was developed, C&C receipts were anticipated to total \$50.0 million (22.4% decline from the 2021-2022 collection level) due to higher interest rates that impact mortgage rates coupled with uncertainty in the overall economy. However, based on activity through the first half of the fiscal year, collections are now estimated to end the year at \$45.0 million, which is \$5.0 million below the budgeted estimate and reflects a 30.2% decline from the 2021-2022 collection level. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action. Further detail regarding the C&C Tax receipts as well as a discussion of the housing statistics for the local real estate market can be found in Section II - Status of Selected Special and Capital Funds of this report.</p>			
Ending Fund Balance Adjustment	Finance	\$(439,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Service Yards Construction and Conveyance Tax Fund (395) TOTAL		\$(439,000)	\$(439,000)

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
<p>Agnews Park Master Plan</p> <p>This action decreases the Agnews Park Master Plan project to reallocate project savings to the Agnews Property Development project as recommended in this report.</p>	Parks, Recreation and Neighborhood Services	\$(350,000)	
<p>Agnews Property Development</p> <p>This action increases the Agnews Property Development project in the amount of \$350,000, from \$696,000 to \$1.0 million. Additional funding is needed to complete the demolition phase of the buildings closest to the school campus and for design review and inspection costs related to the site preparation. A corresponding action to decrease the Agnews Park Master Plan project, which is anticipated to have project savings, is recommended in this report to offset the action.</p>	Parks, Recreation and Neighborhood Services	\$350,000	
<p>Future PDO / PIO Projects Adjustment</p> <p>This action decreases the Future PDO/PIO Projects Reserve to offset actions recommended in this report.</p>	Parks, Recreation and Neighborhood Services	\$(1,785,000)	
<p>River Glen Park Restroom Restoration</p> <p>This action establishes the River Glen Park Restroom Restoration appropriation in the amount of \$125,000. This project provides funding to restore a sewer line that unexpectedly broke, which has resulted in the River Glen Park restrooms being inoperable. A corresponding action to decrease the Future PDO/PIO Projects Reserve is recommended in this report to offset the action.</p>	Parks, Recreation and Neighborhood Services	\$125,000	

Capital Funds Recommended Budget Adjustments Summary

2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
TRAIL: Coyote Creek (Mabury Road to Empire Street)	Parks, Recreation and Neighborhood Services	\$8,419,000	
<p>This action increases the TRAIL: Coyote Creek (Mabury Road to Empire Street) appropriation in the amount of \$8.4 million. Funding of \$345,000 had previously been allocated for this project in the Subdivision Park Trust Fund. Additional funding of \$9.8 million (\$8.44 million from the Subdivision Park Trust Fund and \$1.34 million from the Parks City-Wide Construction and Conveyance Tax Fund) is recommended to be allocated, bringing the total project funding to \$10.1 million. The Federal Active Transportation Program (ATP) Grant reimbursement has set a deadline of May 2023 for a bid contract to be awarded for this project. Due to these timing requirements, it is recommended to allocate the project funding as part of this report, which will allow for the bid to be awarded in a timely fashion to meet the ATP Grant reimbursement deadline. A separate City Council memorandum will be presented to the City Council in February 2023 that further details the project and requests authorization for the Public Works Director to award the construction project when bids are received in May 2023. A corresponding action to decrease the TRAIL: Coyote Creek (Mabury Road to Empire Street) Reserve (\$6.8 million) and Future PDO/PIO Projects Reserve (\$1.8 million) are recommended in this report to offset the action.</p>			
TRAIL: Coyote Creek (Mabury Road to Empire Street) Reserve	Parks, Recreation and Neighborhood Services	\$(6,759,000)	
<p>This action decreases the TRAIL: Coyote Creek (Mabury Road to Empire Street Reserve) to offset an action recommended in this report.</p>			
Subdivision Park Trust Fund (375) TOTAL			

Capital Funds Recommended Budget Adjustments Summary 2022-2023 Mid-Year Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Water Utility Capital Fund (500)			
Capital Program and Public Works Department Support Services Costs	Public Works	\$40,000	
<p>This action increases the Capital Program and Public Works Department Support Services Costs allocation by \$40,000, from \$48,000 to \$88,000, to reflect higher than anticipated direct labor and professional services costs incurred by the Public Works Department. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(40,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Water Utility Capital Fund (500) TOTAL			

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