



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Margaret McCahan

**SUBJECT: APPROVAL OF VARIOUS BUDGET ACTIONS FOR FISCAL YEAR
2017-2018** **DATE:** June 8, 2018

Approved

Date

6-8-18

RECOMMENDATION

Adopt 2017-2018 Appropriation Ordinance and Funding Sources Resolution amendments in various funds as detailed in the General Fund and Special/Capital Fund attachments to this memorandum.

OUTCOME

Approval of the recommended budget adjustments will help to ensure that appropriations are not over-expended at the end of 2017-2018, align revenues and expenditures with actual performance and assumptions used in the development of the 2018-2019 Operating and Capital Budgets, and recognize new revenues and associated expenditures.

BACKGROUND

The Budget Office has conducted a final detailed review of year-to-date expenditures, encumbrances, and revenues against year-end projected levels to align budgeted amounts with actual performance. Based on this review, the following types of adjustments to the Appropriation Ordinance and Funding Sources Resolution are recommended in this memorandum:

- Adjustments to ensure that adequate funding in various departments, city-wide expenses, capital projects, and other appropriations is available through the end of the fiscal year for estimated expenditure levels.
- Adjustments to align revenue estimates and appropriations with the latest information and assumptions used to develop the 2018-2019 Operating and Capital Budgets, including establishing a 2017-2018 Ending Fund Balance Reserve in the General Fund.

- Adjustments to recognize and appropriate funding from other agencies and from reimbursements for eligible activities.

These actions are intended to be responsive to past City Council direction to prevent after-the-fact ratifications of over-expenditures. Many of the adjustments included in this memorandum were also assumed in the development of the 2018-2019 Operating and Capital Budgets. Additionally, separate, related adjustments are also included in Manager's Budget Addendum #29 (Recommended Amendments to the 2018-2019 Proposed Operating and Capital Budgets) and the Mayor's June Budget Message for Fiscal Year 2018-2019 to rebudget or otherwise adjust funding for 2018-2019, as appropriate.

ANALYSIS

Provided below is a brief overview of the budget actions recommended in this report. Budget actions are categorized as 1) Recommended Budget Adjustments and 2) Clean-up Actions.

Recommended Budget Adjustments

The Budget Adjustment Summaries for the General Fund, Special Funds, and Capital Funds include actions to align estimated revenues and corresponding expenditures with actual performance. A detailed description of each recommended budget adjustment is also included, by fund and the type of adjustment. These actions are summarized below.

General Fund

Required Technical/Rebalancing Actions – Net expenditure increases of \$35.1 million are recommended to align budgeted levels with actual collection trends and year-end projections. Additionally, revenue increases of \$32.0 million are recommended to align year-end estimates with collection trends for: Property Tax (\$16.0 million), Sales Tax (\$6.0 million), Business Tax (\$5.0 million), Revenue from State of California (\$2.0 million), Other Revenue (\$2.0 million), and Revenue from Local Agencies (\$1.0 million). Additional actions include increases to address higher than anticipated expenditures for the Police Department (net increase of \$4.1 million) and Public Works Department (\$1.55 million), the transfer of reserved funding (\$1.65 million) for increased claims costs and lower enrollment in the Self-Insured Medical Fund, and the establishment of the 2017-2018 Ending Fund Balance Reserve (\$27.0 million).

Grants/Reimbursements/Fees – A series of revenue-supported adjustments resulting in a net increase of \$2.7 million are recommended to reflect updated revenues and expenditures for grants, reimbursements, and/or fee activities. The largest adjustments account for the sale of the Airport West (FMC) property (\$38.2 million) and corresponding debt service payment, and the debt service payment (\$13.6 million) for the prior expansion of the San José McEnery Convention Center and the associated reimbursement from the Successor Agency to the Redevelopment Agency. Reductions to development-related revenue projections in the Planning

(\$1.5 million) and Fire (\$0.4 million) Development Fee Programs are also recommended to align with anticipated year-end performance.

Special/Capital Funds

Special Fund Adjustments – These actions rebalance funds to adjust for revenue variances in the current year, recognize new grants and reimbursements, reflect changes in project and program allocations based on revised cost estimates, and shift allocations between funds. In every case, funding is available within the respective funds to offset the required adjustment.

Capital Fund Adjustments – These actions rebalance funds to adjust for revenue variances in the current year, recognize new grants and reimbursements, adjust capital allocations based on revised cost estimates and project timing, and adjust budgets to properly align project expenditures and corresponding revenues. In every instance, funding is available within the respective funds to offset the required adjustment.

Clean-Up Actions

The Recommended Budget Adjustments and Clean-Up Actions for the General Fund, Special Funds, and Capital Funds summarize all budget adjustments by fund, and additionally include technical, net-zero clean-up actions for the General Fund and Special/Capital Funds to: correct existing appropriations, avoid cost overruns at year-end through net-zero adjustments, and adjust for final fund balance reconciliations. The following adjustments are identified by title only:

General Fund and Special/Capital Funds

Clean Up Actions – These actions include technical adjustments and net-zero transfers between appropriations:

- **Appropriation Overages and Reallocations** – Actions are recommended to adjust expenditures between appropriations to align funding levels within a fund or department to prevent an over-expenditure. In all cases, offsetting (“Reallocation”) actions have been identified to address these overages. There are also net-zero re-categorizations of revenue between revenue appropriations.
- **Salary and Benefits to Overtime Reallocation** – Actions are recommended to reallocate savings in the salary and benefits line items, due primarily to vacancies, to the overtime line items in the Personal Services appropriations to reflect actual projected expenditures.
- **Transfer to the General Fund** – Interest earnings are transferred from several Special/Capital Funds to the General Fund. Included actions adjust these transfers to reflect actual projected revenue for 2017-2018.
- **Fund Balance Reconciliation/Technical Adjustments** – Actions are recommended to adjust the 2017-2018 Beginning Fund Balance estimates for the Dental Insurance Fund and

Workforce Development Fund based on the final reconciliation of 2016-2017 to the Comprehensive Annual Financial Report (CAFR). Actions are also included to align appropriated amounts and corresponding fund balances among the administrative funds (memo) that comprise the Construction Excise Tax Fund. In the Airport Revenue Bond Improvement Fund, actions are recommended to increase the Beginning Fund Balance and Ending Fund Balance by \$208,071 to recognize the liquidation of prior year carry-over encumbrances from multiple completed projects. All unspent bond proceeds that remain from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. Recognizing the liquidated carry-over encumbrance as fund balance allows these funds to be reallocated to the Southeast Ramp Reconstruction project. Final reconciliation of ending fund balances for the 2017-2018 fiscal year will be presented in the 2017-2018 Annual Report.

EVALUATION AND FOLLOW-UP

This memorandum presents recommended adjustments to align budgeted levels for 2017-2018 with current year-end estimates of revenues and expenditures. The final reconciliation of the 2017-2018 fiscal year will be presented in the 2017-2018 Annual Report, which is scheduled to be released on September 30, 2018, and the 2017-2018 Comprehensive Annual Financial Report (CAFR) scheduled to be released fall 2018.

PUBLIC OUTREACH / INTEREST

This memorandum will be posted on the City Council's Agenda website prior to the June 19, 2018 City Council meeting.

COORDINATION

The adjustments recommended in this memorandum have been coordinated with the various City departments.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation is associated with this action.

COST SUMMARY/IMPLICATIONS

A series of budget actions are recommended in the General Fund, Special Funds, and Capital Funds to reflect anticipated year-end performance. There are sufficient resources in each fund to support the recommended budget actions.

HONORABLE MAYOR AND COUNCIL

June 8, 2018

Subject: Approval of Various Budget Actions for Fiscal Year 2017-2018

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CEQA

Not a Project, File No. PP10-067 (b), Appropriation Ordinance.

A handwritten signature in black ink, reading "Margaret McCahan". The signature is written in a cursive, flowing style.

MARGARET McCAHAN
Budget Director

- Attachment A – General Fund Recommended Budget Adjustments Summary
- Attachment B – General Fund Recommended Budget Adjustments and Clean-Up Actions
- Attachment C – Special Funds Recommended Budget Adjustments Summary
- Attachment D – Special Funds Recommended Budget Adjustments and Clean-Up Actions
- Attachment E – Capital Funds Recommended Budget Adjustments Summary
- Attachment F – Capital Funds Recommended Budget Adjustments and Clean-Up Actions

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I hereby certify that there will be available for appropriation in the amounts as listed in the fiscal year 2017-2018 monies in excess of those heretofore appropriated therefrom:

General Fund (001)	\$83,191,401
Airport Capital Improvement Fund (520)	\$135,000
Airport Fiscal Agent Fund (525)	\$4,915,063
Airport Renewal and Replacement Fund (527)	\$629,000
Airport Revenue Bond Improvement Fund (526)	\$208,071
Airport Revenue Fund (521)	\$220,000
Airport Surplus Revenue Fund (524)	\$15,000,000
Benefit Funds – Benefit Fund (160)	\$62,993
Benefit Funds – Dental Insurance Fund (155)	\$10,430
Benefit Funds – Self-Insured Medical Fund (158)	\$414,400
Building and Structure Construction Tax Fund (429)	\$2,673,485
Business Improvement Districts Fund (351)	\$405,000
Construction Tax and Property Conveyance Tax Fund: Communications Purposes (397)	\$37,000
Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes (392)	\$55,000
Construction Tax and Property Conveyance Tax Fund: Library Purpose (393)	\$40,000
Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes Fund (398)	\$18,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund (390)	\$143,000
Construction Tax and Property Conveyance Tax Fund: Service Yards Purpose Fund (395)	\$545,000
Construction Excise Tax Fund (465)	\$12,189,580
Convention and Cultural Affairs Fund (536)	\$57,000
Convention Center Facility District Capital Fund (798)	\$165,000
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)	\$661
General Purpose Parking Capital Fund (559)	\$48,000
Gift Trust Fund (139)	\$303,961
Residential Construction Tax Contribution Fund (420)	\$11,000
San Jose Clean Energy Operating Fund (501)	\$13,000
San Jose Municipal Stadium Capital Fund (476)	\$8,531
Supplemental Law Enforcement Services (SLES) Fund (414)	\$1,040,188
Vehicle Maintenance and Operations Fund (552)	\$12,000



MARGARET McCAHAN
Budget Director

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure</u>	<u>Revenue</u>
				<u>Change</u>	<u>Change</u>
Required Technical- Rebalancing Actions	Non-Personal/Equipment (Litigation Costs)	City Attorney's Office	-	\$125,000	-
	<p>This action increases the City Attorney's Office Non-Personal/Equipment appropriation by \$125,000 (from \$1.7 million to \$1.8 million) for higher than budgeted contractual services expenditures as a result of increased outside litigation costs, including services for specialized outside counsel, technical experts, court reporters and other consultant and expert witness services. These costs are incurred most notably in civil rights, excessive force, catastrophic injury, and document-intensive cases. Outside litigation costs are unpredictable, and largely outside of the City Attorney Office's control.</p>				
	Bond Project Audits	City Auditor's Office	-	(\$49,000)	-
	<p>This action decreases the Bond Project Audits appropriation by \$49,000 (from \$110,000 to \$61,000). In 2017-2018, the City entered into an agreement with Macias, Gini & O'Connell LLP (MGO) to perform annual financial and compliance audit services. This adjustment aligns the budget with the anticipated costs for the bond project audits and partially offsets the increase to the CAFR Annual Audit appropriation recommended elsewhere in this memorandum.</p>				
	CAFR Annual Audit	City Auditor's Office	-	\$65,000	-
	<p>This action establishes the CAFR Annual Audit appropriation for \$65,000. In 2017-2018, the City entered into an agreement with Macias, Gini & O'Connell LLP (MGO) to perform annual financial and compliance audit services. This adjustment aligns the budget with the anticipated costs for the annual financial and compliance audit services. This increase is offset by decreases to the Grant Compliance Single Audit and the Bond Projects Audits appropriations recommended elsewhere in this memorandum.</p>				
	Grant Compliance Single Audit	City Auditor's Office	-	(\$40,000)	-
	<p>This action decreases the Grant Compliance Single Audit appropriation by \$40,000 (from \$125,000 to \$85,000). In 2017-2018, the City entered into an agreement with Macias, Gini & O'Connell LLP (MGO) to perform annual financial and compliance audit services. This adjustment aligns the budget with the anticipated costs for this audit and partially offsets the increase to the CAFR Annual Audit appropriation recommended elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Elections and Ballot Measures	City Clerk's Office	-	\$406,000	-
<p>This action increases the Elections and Ballot Measures appropriation by \$406,000 (from \$1.8 million to \$2.2 million) as a result of increased costs anticipated for the June 2018 Primary Election, primarily associated with translation services for Measure B: Evergreen Senior Homes Initiative (367 pages) in four different languages (Chinese, Spanish, Tagalog, and Vietnamese) and Measure C: City of San José's Urban Sprawl Charter Amendment (12 pages).</p>				
Non-Personal/Equipment (Rotary International 4th of July Independence Day Celebration)	City Manager - Office of Economic Development	-	\$40,000	-
<p>This action increases the Office of Economic Development (OED) Non-Personal/Equipment appropriation by \$40,000 (from \$921,361 to \$961,361) to cover up-front costs associated with the Downtown Independence Day celebration. The Mayor's March Budget Message for 2018-2019 directed the Administration to allocate one-time funding from the General Purpose Parking Fund and/or the Transient Occupancy Tax Fund to support the Rotary International 4th of July Fireworks event. A corresponding transfer from the General Purpose Parking Fund is recommended elsewhere in this memorandum. This event will also be supported by one-time funding of \$80,000 from the existing 2017-2018 Transient Occupancy Tax funded Arts and Cultural Development Grants Program.</p>				
Revenue - Business Taxes	City Manager's Office	-	-	\$5,000,000
<p>This action increases the revenue estimate for Business Taxes by \$5.0 million (from \$63.4 million to \$68.4 million) to align budgeted estimates with current collection trends. This increase primarily reflects increases in Marijuana Business Tax revenue (\$3.45 million; from \$9.4 million to \$12.8 million), General Business Tax revenue (\$1.15 million; from \$23.7 million to \$24.8 million), and Cardroom Tax revenue (\$400,000; from \$18.3 million to \$18.7 million). The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure</u> <u>Change</u>	<u>Revenue</u> <u>Change</u>
Revenue - Local Agencies	City Manager's Office	-	-	\$1,000,000
<p>This action increases the revenue estimate for Revenue from Local Agencies by \$1.0 million (from \$23.7 million to \$24.7 million) to align budgeted estimates with current collection trends. This increase primarily reflects an increase in the Successor Agency to the Redevelopment Agency (SARA) reimbursement for eligible City costs in 2017-2018 (\$1.0 million) that are expected to be received. With the December 2017 SARA refunding, there will be sufficient funding to cover this cost. The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Other Revenue	City Manager's Office	-	-	\$2,000,000
<p>This action increases the revenue estimate for Other Revenue by \$2.0 million (from \$183.2 million to \$185.2 million) to align budgeted estimates with current collection trends. This increase primarily reflects increases in the Sale of Real Properties (\$700,000; from \$800,000 to \$1.5 million) and Litigation Settlements (\$1.3 million, from \$100,000 to \$1.4 million) based on actual receipts. The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue - Property Tax	City Manager's Office	-	-	\$16,000,000
<p>This action increases the revenue estimate for Property Tax by \$16.0 million (from \$289.0 million to \$305.0 million) to align budgeted estimates with current collection trends. This increase primarily reflects increases in Secured Property Tax (\$15.3 million, from \$265.8 million to \$281.1 million) and SB813 (\$659,000, from \$5.5 million to \$6.2 million). The increase in Secured Property Tax reflects additional property tax revenue related to the Successor Agency to the Redevelopment Agency (SARA) refunding that occurred in December 2017 (\$11.0 million) that results in the distribution of residual property tax revenue and an increase to the Educational Revenue Augmentation Fund (ERAF) (\$4.4 million, from \$4.0 million to \$8.4 million) based on updated information from the County. The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Sales Tax	City Manager's Office	-	-	\$6,000,000
<p>This action increases the revenue estimate for Sales Tax by \$6.0 million (from \$224.0 million to \$230.0 million) to align budgeted estimates with current collection trends. This increase reflects an increase to the Local Sales Tax revenue (\$8.0 million, from \$35.0 million to \$43.0 million) partially offset by a decrease to the General Sales Tax revenue (-\$2.0 million, from \$183.0 million to \$181.0 million). The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - State of California	City Manager's Office	-	-	\$2,000,000
<p>This action increases the revenue estimate for Revenue from the State of California by \$2.0 million (from \$14.2 million to \$16.2 million) to align the budgeted estimates with current collection trends. This increase reflects higher Tobacco Settlement funding (\$2.0 million, from \$8.9 million to \$10.9 million) based on actual receipts received April 2018. This collection level is well above the \$9.2 million received in 2016-2017 for the Tobacco Settlement. The increase in this revenue category is recommended to offset expenditure increases and/or establish the 2017-2018 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
2017-2018 Ending Fund Balance Reserve	City Manager's Office	-	\$27,000,000	-
<p>This action establishes a 2017-2018 Ending Fund Balance Reserve of \$27.0 million in the General Fund. A total of \$32.6 million in 2017-2018 Ending Fund Balance (excluding carryover rebudgets and use of reserves) was assumed as a funding source for 2018-2019 (Beginning Fund Balance) in development of the 2018-2019 Operating Budget from a combination of excess revenue, expenditure savings, and liquidation of carryover encumbrances. This action sets aside \$27.0 million of the \$32.6 million (83%) as a net result of the various actions described in this memorandum. Additional revenue, expenditure savings, and the liquidation of prior year carryover encumbrances are also anticipated to be realized by year-end in order to fully meet the 2018-2019 Beginning Fund Balance estimate.</p>				
Ballot Measure Polling	City Manager's Office	-	\$100,000	-
<p>This action increases the Ballot Measure Polling appropriation by \$100,000 (from \$55,000 to \$155,000) as a result of increased costs for polling for the June 2018 Primary Election.</p>				
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	City Manager's Office	-	\$220,000	-
<p>This action establishes the Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel) appropriation for \$220,000. Per Federal Aviation (FAA) policy, beginning December 8, 2017, Sales Tax revenue related to jet fuel sales that are located on Airport properties must be returned to the Airport Department. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this timeframe, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987, however, the Local Sales Tax, effective October 2016, must follow the FAA policy. This transaction transfers funding of \$220,000 from the General Fund to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from December 2017 through June 2018.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Essential Emergency Management Concepts Training)	City Manager's Office	-	\$104,000	-
<p>This action increases the City Manager's Office Non-Personal/Equipment appropriation by \$104,000 (from \$3.2 million to \$3.3 million) to fund two Essential Emergency Management Concepts trainings for City Emergency Operations Center (EOC)/Departmental Operations Center (DOC) staff provided by the California Specialized Training Institute. A corresponding decrease to the City Manager's Office Personal Services appropriation is recommended to offset this action elsewhere in this memorandum.</p>				
Non-Personal/Equipment (Reallocation from Fire Department for CERT Program)	City Manager's Office	-	\$130,000	-
<p>This action increases the City Manager's Office Non-Personal/Equipment appropriation by \$130,000 (from \$3.22 million to \$3.35 million) for the second of two Community Emergency Response Team (CERT) programs funded. The Office of Emergency Management (OEM) and associated budget was relocated to the City Manager's Office from the Fire Department in September 2017. This amount was not included in that process and is needed to allow OEM to complete the second CERT program. A corresponding decrease to the Fire Department Non-Personal/Equipment appropriation is recommended to offset this action elsewhere in this memorandum.</p>				
Personal Services (Vacancy Savings)	City Manager's Office	-	(\$104,000)	-
<p>This action decreases the City Manager's Office Personal Services appropriation by \$104,000 (from \$14.9 million to \$14.8 million) to reflect projected personal services savings resulting from office vacancies. This action will offset an increases to the City Manager's Office Non-Personal/Equipment appropriation for the delivery of two Essential Emergency Management Concepts trainings for City Emergency Operations Center (EOC)/Department Operations Center (DOC) staff provided by the California Specialized Training Institute. A corresponding increase to the City Manager's Office Non-Personal/Equipment appropriation is recommended to offset this action elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Illegal Dumping Costs)	Environmental Services Department	-	\$130,000	-
<p>This action increases the Environmental Services Department Personal Services appropriation by \$130,000 (from \$1,223,589 to \$1,353,589) to address higher than budgeted personal services expenditures due primarily to a vacant position budgeted with a Tier II retirement but filled with an employee with a Tier I retirement (\$80,000) and efforts made to address the illegal dumping backlog after the 2017 Flood (\$50,000).</p>				
Business Tax System Replacement	Finance Department	-	\$160,000	-
<p>This action increases the Business Tax System Replacement City-Wide appropriation by \$160,000 (from \$643,000 to \$803,000) to extend the temporary staffing for the Business Tax System project. With the new anticipated Business Tax System go-live expected in the third quarter of 2018, a three month period is needed for temporary staff (1.0 IT Project Manager, 1.0 Analyst, and 2.0 Investigator Collector positions) to continue to work on the stabilization of the Business Tax System. These funds are recommended to be rebudgeted to 2018-2019 to complete this project in Manager's Budget Addendum #29, Recommended Adjustments to the 2018-2019 Proposed Operating and Capital Budgets.</p>				
Non-Personal/Equipment (Online Business Tax Application)	Finance Department	-	\$28,000	-
<p>This action increases Finance Department Non-Personal/Equipment appropriation by \$28,000 (from \$2.24 million to \$2.27 million) to cover online hosting expenses for the Online Business Tax Application. In 2017-2018, the Finance Department started an online business tax application registration capability for customers, as required by the Business Tax Modernization Measure (Measure G). This expense is related to the temporary system, while the new business tax billing system is being implemented, the completion of which is anticipated in the third quarter of 2018.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Payroll Technical Support)	Finance Department	-	\$120,000	-
<p>This action increases the Finance Department Non-Personal/Equipment appropriation by \$120,000 (from \$2.2 million to \$2.4 million) for staffing support related to payroll. In recent years, the number and complexity of the customizations of the Payroll System have increased, and the non-pensionable general wage increase adds further complexity and customization to the payroll system and processes.</p>				
Non-Personal/Equipment (Reallocation to City Manager's Office for CERT Program)	Fire Department	-	(\$130,000)	-
<p>This action decreases the Fire Department Non-Personal/Equipment appropriation by \$130,000 (from \$8.51 million to \$8.38 million) to transfer funding for the second of two Community Emergency Response Team (CERT) programs funded. The Office of Emergency Management (OEM) and associated budget was relocated from the Fire Department to the City Manager's Office in September 2017. This amount was not included in that process and is needed to allow OEM to complete the second CERT program. A corresponding increase to the City Manager's Office Non-Personal/Equipment appropriation is recommended to offset this action.</p>				
Workers' Compensation Claims - Fire	Fire Department	-	(\$500,000)	-
<p>This action decreases the Workers' Compensation Claims – Fire appropriation by \$500,000 (from \$8.3 million to \$7.8 million) based on actual expenditure trends. The lower Workers' Compensation Claims are due to lower than anticipated settlement activities and medical treatment costs through April. This decrease partially offsets the recommended increases to the Workers' Compensation - Police and Workers' Compensation - PRNS appropriations recommended elsewhere in this memorandum.</p>				
Homeless Response Team	Housing Department	-	\$340,000	-
<p>This action increases the Homeless Response Team appropriation by \$340,000 (from \$1,675,000 to \$2,015,000) for costs associated with encampment clean-ups. The City increased coordination with other agencies, including CalTrans and Union Pacific Railroad, and increased the number of cleanups in neighborhoods providing increased services.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Self-Insured Medical Fund Reserve (Reallocation to Transfer to the Self-Insured Medical Fund)	Human Resources Department	-	(\$1,650,000)	-
<p>This action eliminates the Self-Insured Medical Fund Reserve of \$1.65 million and, in a separate action, transfers the funds to the Self-Insured Medical Fund to address a projected shortfall. The \$1.65 million reserve was previously established as part of the 2017-2018 Mid-Year Budget Review in anticipation of the potential shortfall in the Self-Insured Medical Fund. With a 14.4% total open enrollment loss, as of January 2018, and a 7.6% increase in total projected claims costs, the combined impact is projected to result in a \$1.65 million shortfall as part of the actions included in the 2017-2018 Mid-Year Budget Review. Action is required to reallocate reserved funds given year-to-date performance.</p>				
Transfer to the Self-Insured Medical Fund (Reallocation from Self-Insured Medical Fund Reserve)	Human Resources Department	-	\$1,650,000	-
<p>This action establishes a Transfer to the Self-Insured Medical Fund in the amount of \$1.65 million to address a projected funding shortfall in the Self-Insured Medical Fund. With a 14.4% total open enrollment loss, effective January 2018, and a 7.6% increase in total projected claims costs, the combined impact is projected to result in a \$1.65 million shortfall as part of the actions included in the 2017-2018 Mid-Year Budget Review. Action is required to reallocate reserved funds given year-to-date performance. This action is offset by the elimination of the Self-Insured Medical Fund Reserve recommended elsewhere in this memorandum.</p>				
Workers' Compensation Claims - Others	Human Resources Department	-	(\$275,000)	-
<p>This action decreases the Workers' Compensation Claims – Others appropriation by \$275,000 (from \$1.0 million to \$725,000) based on actual expenditure trends. The lower Workers' Compensation Claims are due to lower than anticipated settlement activities and medical treatment costs through April. This reduction partially offsets increases to the Workers' Compensation - Police and Workers' Compensation - PRNS appropriations recommended elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (San José State University Agreement)	Library Department	-	\$928,000	-

This action increases the Library Department Non-Personal/Equipment appropriation by \$928,000 (from \$5,042,685 to \$5,970,685) to fund increased costs associated with the operating agreement between San José State University (SJSU) and the City of San José for the Dr. Martin Luther King, Jr. Library. Of this amount, \$519,000 is for 2017-2018 and \$409,000 is for a 2016-2017 invoice that had not been paid in the prior year due to the timing of the invoice. Operational costs were not clearly reported until recently such as facilities operations, maintenance, utilities, security services, and information technology costs. These baseline services costs are shared between SJSU and the City of San José. Expenditures to operate and maintain the library are estimated to be higher than budgeted in 2017-2018 (from \$2,616,000 to \$3,544,000) due to actual costs not accurately forecasted and disclosed to the City by SJSU prior to the development of the 2017-2018 Adopted Budget. The Department anticipates additional discussion with SJSU in the coming year to address any potential changes related to operating costs and obligations. A corresponding decrease to the Library Department Personal Services appropriation, due to sufficient vacancy savings, is recommended elsewhere in this memorandum to offset this action.

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Vacancy Savings)	Library Department	-	(\$928,000)	-
<p>This action decreases the Library Department Personal Services appropriation by \$928,000 (from \$27,402,399 to \$26,474,399) due to vacancy savings to fund increased expenses associated with the operating agreement between San José State University (SJSU) and the City of San José for the Dr. Martin Luther King, Jr. Library, of which \$519,000 is for 2017-2018 and \$409,000 is for a late-received 2016-2017 invoice. Operational costs were not clearly reported until recently such as facilities operations, maintenance, utilities, security services, and information technology costs. These baseline services costs are shared between SJSU and the City of San José. Expenditures to operate and maintain the library are estimated to be higher than budgeted in 2017-2018 (from \$2,616,000 to \$3,544,000) due to actual costs were not accurately forecasted and disclosed to the City by SJSU prior to the development of the 2017-2018 Adopted Budget. The Department anticipates additional discussions with SJSU in the coming year to address any potential changes related to operating costs and obligations.</p>				
Council District #10 (Personal Services)	Mayor & City Council	-	\$15,000	-
<p>This action increases the Council District #10 appropriation by \$15,000 (from \$771,901 to \$786,901) to address projected personal services expenditures. The number of employees in Tier 1 retirement in this Office is above the average for the City Council Offices, which has resulted in higher retirement costs. In addition, the estimated year-end expenditures are greater than previously anticipated based on a revised worksheet from the City Clerk that corrects a formula error that had underestimated year-end expenditures. An adjustment may also need to be evaluated for 2018-2019 based on actual retirement costs.</p>				

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Fee Activities (Personal Services Overage)</p> <p>This action increases the Parks, Recreation and Neighborhood Services (PRNS) Department Fee Activities appropriation by \$352,000 (from \$10.40 million to \$10.75 million) to fund overtime and part-time costs due to higher than anticipated programming needs at the Happy Hollow Park & Zoo (HHPZ) Picnic Basket and activities at community centers and regional parks. Consistent with prior years, overtime and part-time costs are drivers of increased expenditures; however, in 2017-2018, there is not sufficient PRNS revenue to offset the cost at this time but may be received by year-end. While the increased PRNS revenues are tracking to meet the budgeted estimate, revenues are not expected to exceed expectations due to lower than anticipated performance in revenue generating activities such as, leisure classes, special event rentals at HHPZ, and the delayed opening of Lake Cunningham Action Sports Park. Savings from the Parks, Recreation and Neighborhood Services Personal Services appropriation is recommended to partially offset this action elsewhere in this memorandum.</p>	Parks, Recreation and Neighborhood Services Department	-	\$352,000	-
<p>Non-Personal/Equipment (Electricity Costs)</p> <p>This action increases the Parks, Recreation and Neighborhood Services (PRNS) Department Non-Personal/Equipment appropriation by \$140,568 (from \$21,271,111 to \$21,411,679). In 2016-2017, some PRNS facilities used solar energy to supply a portion of the energy needs. An annual true-up invoice was received from Pacific Gas and Electric in 2017-2018 for usage in these facilities in the prior year for which the Department under accrued. This action will address the true-up invoice received by the Department.</p>	Parks, Recreation and Neighborhood Services Department	-	\$140,568	-
<p>Non-Personal/Equipment (Happy Hollow Park & Zoo Security)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation by \$275,000 to fund increased security patrol at Happy Hollow Park and Zoo, including daytime and nighttime perimeter patrols inside and outside the zoo to address recent security issues. Savings from the Parks, Recreation and Neighborhood Services Personal Services appropriation is recommended to be reallocated to partially offset this action elsewhere in this memorandum.</p>	Parks, Recreation and Neighborhood Services Department	-	\$275,000	-

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Vacancy Savings)	Parks, Recreation and Neighborhood Services Department	-	(\$427,000)	-
<p>This action decreases the Parks, Recreation and Neighborhood Services Department Personal Services appropriation by \$427,000 to reflect vacancy savings. These savings are recommended to partially offset increases to the Parks, Recreation and Neighborhood Services Non-Personal/Equipment appropriation for Happy Hollow Park and Zoo security and Fee Activities appropriation for increased programming needs, which are recommended elsewhere in this memorandum.</p>				
Workers' Compensation Claims - PRNS	Parks, Recreation and Neighborhood Services Department	-	\$160,000	-
<p>This action increases the Workers' Compensation Claims – PRNS appropriation by \$160,000 (from \$1.1 million to \$1.3 million) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs through April. The total costs are expected to exceed the budget by \$160,000 by year-end. This increase is partially offset by decreases to the Workers' Compensation Claims - Fire and Workers' Compensation Claims - Other appropriations recommended elsewhere in this memorandum.</p>				
2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant	Police Department	-	\$5,959	-
<p>This action increases the 2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant appropriation by \$5,959 (from \$92,483 to \$98,442) to reappropriate prior year carryover encumbrance funds that were liquidated and subsequently fell to fund balance in 2017-2018. This action appropriates the remaining grant funds to allow for the close out of this grant and avoid a negative appropriation balance at year end.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Centrally Determined/Other Savings)	Police Department	-	(\$1,950,000)	-

This action decreases the Police Department Non-Personal/Equipment appropriation by \$1,950,000 (from \$26,779,228 to \$24,829,228) to account for anticipated year-end savings. These savings are primarily due to lower than anticipated vehicle maintenance and operations costs, mainly fuel savings (\$775,000); Police vehicle replacement savings (\$575,000); gas and electricity savings (\$200,000); and other Non-Personal/Equipment savings (\$400,000). These savings are recommended to partially offset the actions to address the Personal Services overage elsewhere in this memorandum.

Personal Services (Overage)	Police Department	-	\$6,000,000	-
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This action increases the Police Department Personal Services appropriation by \$6,000,000 (from \$356,029,936 to \$362,029,936) to address higher than budgeted costs due primarily to increased overtime. The Police Department has worked diligently to fill vacancies in both sworn and civilian positions. In 2017-2018, 176 positions were filled and placed in three Recruit Academies. Vacancy savings have been used to backfill positions in Patrol in recent years. However, as the Department has filled vacancies these savings have decreased. While the goal is to fill the vacancies and eliminate the need to backfill positions, new recruits are in academy training and field training for 10-12 months and are not available to respond to calls for service. Because overtime has been used to staff Patrol while the officers are in training, without the associated vacancy savings, Personal Services are projected to exceed the budget. This action ensures the Personal Services end the year without a negative appropriation. This action is partially offset by Non-Personal/Equipment savings of \$1,950,000 recommended elsewhere in this memorandum, resulting in a net impact of \$4,050,000 from the Police Department. This represents approximately 1.0% of the Police Department budget.

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Workers' Compensation Claims - Police	Police Department	-	\$860,000	-
<p>This action increases the Workers' Compensation Claims – Police appropriation by \$860,000 (from \$9.1 million to \$9.9 million) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs through April. The total costs are expected to exceed the budget by \$860,000 by year-end. This action is partially offset by decreases to the Workers' Compensation Claims - Fire and Workers' Compensation Claims - Other appropriations recommended elsewhere in this memorandum.</p>				
Personal Services (Overage)	Public Works Department	-	\$1,550,000	-
<p>This action increases the Public Works Department Personal Services appropriation by \$1,550,000 (from \$21.2 million to \$22.8 million) to support higher than anticipated retirement (\$800,000), part-time (\$650,000), and overtime (\$300,000) costs, partially offset by salary savings of \$200,000. The higher than anticipated retirement cost is primarily due to a greater proportion of Tier 1 employees (approximately 12) than assumed in the budget. Part-time and overtime costs at the Animal Services Center increased due to the Department's ongoing efforts to maintain the save rate (92%) while keeping up with growing intakes, including a cat intake increase of approximately 1,500 per year above recent years. The facilities management group also experienced higher levels of overtime for call backs and urgent maintenance needs. A review of the Department's Base Budget to deliver existing services will be completed for the 2019-2020 budget process to determine if any ongoing adjustments are necessary.</p>				
Arena Traffic Control	Transportation Department	-	\$80,000	-
<p>This action increases the Arena Traffic Control appropriation by \$80,000 (from \$335,000 to \$415,000) to support the increased utilization of Police Department staff and overtime costs due to the opening of Autumn Parkway and traffic management requirements for additional events occurring at the SAP Center in 2017-2018.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Our City Forest Nursery Lease)	Transportation Department	-	\$105,000	-
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$105,000 (from \$15.77 million to \$15.88 million) to provide for the renewal of the lease agreement between Our City Forest (OCF) and the Norman Y. Mineta San José International Airport (SJC) for the use of approximately two acres of land off McKendrie Street as a nursery facility. The OCF nursery allows the community to purchase trees and shrubs, and to learn more about the care and stewardship of trees. SJC purchased the land leased by OCF with Federal Aviation Administration (FAA) funding, which stipulates leasing at fair market value. Funding is provided for the lease period beginning April 2018 through June 2019.</p>				
Workers' Compensation Claims - Transportation	Transportation Department	-	\$15,000	-
<p>This action increases the Workers' Compensation Claims – Transportation appropriation by \$15,000 (from \$500,000 to \$515,000) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs through April. The total costs are expected to exceed the budget by \$15,000 by year-end.</p>				
Required Technical-Rebalancing Actions		-	\$35,051,527	\$32,000,000

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Broadway San José Ticket Revenue)	City Manager - Office of Economic Development	-	-	\$57,000
<p>This action increases the estimate for Transfers and Reimbursements by \$57,000 for the American Musical Theater - Broadway San José loan repayment. Team San José collects \$1 for every ticket sold for a Broadway San José show and then remits these payments to the City for repayment of a past loan made to the American Musical Theater (AMT) in the amount of \$1 million. Receipts are collected in the Convention and Cultural Affairs Fund and then transferred to the General Fund, the originating funding source of the AMT loan. The budget assumed ticket sale receipts in 2017-2018 of \$100,000. Projected receipts for 2017-2018 total \$157,000. To account for this projected performance, an increase to the transfer from the Convention and Cultural Affairs Fund to the General Fund of \$57,000 is recommended. Corresponding actions to recognize the increased ticket revenue and transfer funds from the Convention and Cultural Affairs Fund are recommended elsewhere in this memorandum. It is anticipated that the loan, which has a current balance of \$198,011, will be repaid by 2019-2020.</p>				

Grants-
Reimbursements
-Fees

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Convention Center Lease Payments/Revenue from Local Agencies	Finance Department	-	\$13,562,000	\$13,562,000

This action increases by \$13.6 million the Convention Center Lease Payments City-Wide appropriation and corresponding estimate to Revenue from Local Agencies. While the Successor Agency to the Redevelopment Agency (Successor Agency) was in an insufficiency of funds, the City was contractually obligated to pay the debt service on the Convention Center debt. The payment of this debt was reflected each year in the City's financial system as a City-Wide expense and corresponding revenue, for a net zero impact to the General Fund. A refunding of the Successor Agency bonds which was completed in December 2017 removed the City's obligation for paying the Convention Center Debt, and as part of the 2017-2018 Mid-Year Budget Review, the budget was eliminated for the Convention Center Lease Payment appropriation along with the estimate for the corresponding revenue. However, a debt service payment for the Convention Center Debt took place in August 2017 before the bond refunding had been completed. This action to increase the Convention Center Lease Payments City-Wide appropriation and corresponding revenue estimate will allow the August debt service payment to be reflected in the City's financial system and satisfy the City's contractual obligation for payment of the Convention Center debt that was still in place at the time.

FMC Debt Service Payments/Other Revenue	Finance Department	-	\$35,850,000	\$38,177,387
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This action recognizes revenues from the sale proceeds (\$36.3 million) and the liquidation of the trustee-held reserve (\$1.9 million) from the recent sale of the Airport West (FMC) property. This action also increases the FMC Debt Service Payments appropriation by \$35.9 million (from \$2.6 million to \$38.4 million) to pay off the 2008F Bond.

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Fire Development Fee Program Reserve/Licenses and Permits	Fire Department	-	(\$400,000)	(\$400,000)

This action decreases the revenue estimate for the Fire Development Fee Program in the Licenses and Permits revenue category by \$400,000 from (\$8.6 million to \$8.2 million) based on current collection trends. Revenues are projected to fall slightly below estimated levels due to development activity consisting of smaller projects than anticipated. A corresponding decrease to the Fire Development Fee Program Reserve is also recommended elsewhere in this memorandum to offset this action.

Non-Personal/Equipment/Revenue from State of California (SHSGP 2015 Award for Jon Boats)	Fire Department	-	\$6,217	\$6,217
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This action increases the Fire Department Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from State of California by \$6,217 for the 2015 State Homeland Security Grant Program (SHSGP). The grant funding was allocated to the City for the costs related to the purchase of Jon boats. In 2016-2017 and in 2017-2018 SHSGP provided total funding of \$62,970 for the purchase of four Jon Boats and one trailer with related equipment to use for water rescue.

Personal Services/Revenue from State of California (Strike Team Deployments)	Fire Department	-	\$385,000	\$444,416
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This action increases the estimate for Revenue from State of California by \$444,417 to reimburse the City for overtime and apparatus costs associated with Strike Team Deployments. This action also increases the Personal Services appropriation by \$385,000 to fund overtime costs related to Strike Team deployments. The Department incurs costs while Strike Teams are deployed to back fill the staff on deployment along with the associated apparatus costs. These costs are reimbursable by the California Office of Emergency Services under the California Fire Assistance Agreement. Reimbursement covers expenses incurred after November 2017. Reimbursements for costs incurred prior to November 2017 were recognized in the 2017-2018 Mid-Year Budget Review.

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue from Federal Government (TF3 Trainings Reimbursement)	Fire Department	-	-	\$200,000
<p>This action increases the estimate for Revenue from Federal Government by \$200,000 for reimbursement of overtime costs related to Task Force 3 training activities. California Task Force 3 provides training for life saving extraction of victims trapped by structural collapse during earthquakes, hurricanes, tornados, floods, acts of terrorism, and other disasters. Reimbursement covers expenses incurred for all training exercises that took place in 2017-2018.</p>				
Council District #01/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$2,350	\$2,350
<p>This action increases the Council District #01 appropriation and the corresponding estimate for Other Revenue by \$2,350 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 1, including the 2018 African American Flag Raising Ceremony event.</p>				
Council District #03/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$375	\$375
<p>This action increases the Council District #03 appropriation and the corresponding estimate for Other Revenue by \$375 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 3, including the 2018 GALP event.</p>				
Council District #05/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$1,000	\$1,000
<p>This action increases the Council District #05 appropriation and the corresponding estimate for Other Revenue by \$1,000 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 5, including the 2017 Christmas Tree Giveaway event.</p>				
Council District #07/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$560	\$560
<p>This action increases the Council District #07 appropriation and the corresponding estimate for Other Revenue by \$560 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 7, including the TET Festival event.</p>				

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Council District #08/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$4,450	\$4,450
<p>This action increases the Council District #08 appropriation and the corresponding estimate for Other Revenue by \$4,450 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 8, including the 2018 Day in the Park Festival event.</p>				
Council District #10/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$2,000	\$2,000
<p>This action increases the Council District #10 appropriation and the corresponding estimate for Other Revenue by \$2,000 to allocate revenue received from various businesses and individuals. This funding supports special events co-sponsored by Council District 10, including the 2018 Senior Winter Walk & Resource Fair event.</p>				
Office of the Mayor/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$163,000	\$163,000
<p>This action increases the Office of the Mayor appropriation and the corresponding estimate for Other Revenue by \$163,000 to allocate revenue received from grants. Grant funding received includes: 1) Service Year Exchange (\$50,000) to partially support the cost of a Chief Service Officer position; 2) Encore Organization (\$50,000) to pilot the Critical Bridge Program supporting Encore fellows; 3) Silicon Valley Community Foundation (\$50,000) to support the Ninantic project on voter registration; and 4) Fund For Cities Services Inc. (\$13,000) to support the hiring of a communications consultant and related supplies in support of the Prepared Together/BeautifySJ program.</p>				
BeautifySJ Grants/Other Revenue	Parks, Recreation and Neighborhood Services Department	-	\$78,020	\$78,020
<p>This action increases the BeautifySJ Grants City-Wide appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue by \$78,020. The Department received funds from the United Neighbors of Santa Clara County, the fiscal agent for BeautifySJ Grants, which is the residual funding from previous years that was unused by grantees. The funding will be used for future BeautifySJ grants to community based organizations.</p>				

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015/Revenue from State of California	Parks, Recreation and Neighborhood Services Department	-	(\$330,956)	(\$326,901)
<p>This action decreases the California Gang Reduction, Intervention and Prevention (CALGRIP) Grant City-Wide appropriation to the Parks Recreation and Neighborhood Services Department by \$330,956 and the estimate for Revenue from State of California by \$326,901. Due to the timing of grant invoices and expenditures, the decrease in expenditure and revenue budgets do not match. This CALGRIP grant was a collaborative effort targeting gang-impacted youth through the implementation of proven intervention, substance abuse, and remedial (GED)/vocational education strategies with the intent to reduce gang and youth violence; however, the three-year grant term ended in December 2017.</p>				
Hospital Intervention Program – CalOES Grant (2018)/Revenue from State of California	Parks, Recreation and Neighborhood Services Department	-	\$66,500	\$66,500
<p>This action establishes the Hospital Intervention Program - California Office of Emergency Services Grant City-Wide appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from State of California by \$66,500. This grant funding will support the Hospital Intervention Program under the Mayor's Gang Prevention Task Force, which is a program in partnership with the Santa Clara Valley Medical Center to reach victims of gang violence within 48 hours of admission to the hospital in order to connect them with critical services that can help break the cycle of violence.</p>				
National Forum Capacity - Building Grant OJJDP 2012-2016/Revenue from Federal Government	Parks, Recreation and Neighborhood Services Department	-	(\$83,290)	(\$53,621)
<p>This action decreases the National Forum Capacity-Building Grant OJJDP 2012-2016 Grant City-Wide appropriation by \$53,621 and the estimate for Revenue from Federal Government by \$83,290. Due to the timing of grant invoices and expenditures, the decrease in expenditure and revenue budgets do not match. The grant supported efforts by the Mayor's Gang Prevention Task Force (MGPTF) to address youth and gang violence through partnerships, sharing common challenges, data-driven strategies, and comprehensive planning efforts; however, this multiple year grant ended in September 2017.</p>				

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Building Development Fee Program - Personal Services (Vacancy Savings)	Planning, Building and Code Enforcement Department	-	(\$2,000,000)	-
This action decreases the Planning, Building and Code Enforcement Department Building Development Fee Program - Personal Services appropriation by \$2,000,000 (from \$27.9 million to \$25.9 million) to account for vacancy savings, primarily in the Building Inspector classification. A corresponding increase to the Building Development Fee Program Earmarked Reserve is recommended to offset this action.				
Building Development Fee Program Reserve	Planning, Building and Code Enforcement Department	-	\$2,000,000	-
This action increases the Building Development Fee Program Reserve as an offset to the decrease in the Building Development Fee Program – Personal Services appropriation recommended in this memorandum to account for projected vacancy savings.				
Fees, Rates, and Charges (Planning Development Fee Program)	Planning, Building and Code Enforcement Department	-	-	(\$1,500,000)
This action decreases the revenue estimate for Planning Fees in the Fees, Rates, and Charges category by \$1,500,000 (from \$7.73 million to \$6.23 million) based on current collection trends. Corresponding decreases to the Planning Development Fee Program Earmarked Reserve, Planning Development Fee Personal Services and Planning Development Fee Non-Personal/Equipment appropriations are recommended elsewhere in this memorandum.				
General Plan Update Reserve/Fees, Rates, and Charges	Planning, Building and Code Enforcement Department	-	\$260,000	\$260,000
This action increases the estimate for the General Plan Update fees by \$260,000 (from \$240,000 to \$500,000) in the Fees, Rates, and Charges category based on current collection trends. A corresponding increase to the General Plan Update Reserve (from \$833,000 to \$1.1 million) is recommended elsewhere in this memorandum to offset this action.				

General Fund Recommended Budget Adjustments Summary

2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Planning Development Fee Program - Non-Personal/Equipment (Contractual Services Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department Planning Development Fee Program - Non-Personal/Equipment appropriation by \$150,000 (from \$628,000 to \$478,000). It is anticipated Planning Fee revenues will fall below the budget estimate by approximately \$1.5 million. Non-Personal/Equipment savings in contractual services will be used to partially offset a portion of the lower collection level. A corresponding decrease to the Planning Fees revenue estimate is recommended elsewhere in this memorandum to partially offset this action.</p>	Planning, Building and Code Enforcement Department	-	(\$150,000)	-
<p>Planning Development Fee Program - Personal Services (Vacancy Savings)</p> <p>This action decreases the Planning, Building and Code Enforcement Department Planning Development Fee Program - Personal Services appropriation by \$600,000 (from \$6.6 million to \$6.0 million) to account for vacancy savings. It is anticipated Planning Fee revenues will fall below the budget estimate by approximately \$1.5 million. Planner positions that were added in the 2017-2018 Adopted Operating Budget have been kept vacant, and the vacancy savings will be used to offset a portion of the lower collection level. A corresponding decrease to the Planning Fees revenue estimate is recommended elsewhere in this memorandum to partially offset this action.</p>	Planning, Building and Code Enforcement Department	-	(\$600,000)	-
<p>Planning Development Fee Program Reserve</p> <p>This action decreases the Planning Development Fee Program Reserve by \$750,000 (from \$1,819,969 to \$1,069,969) to partially offset the decrease in the Planning Fees revenue estimate recommended elsewhere in this memorandum.</p>	Planning, Building and Code Enforcement Department	-	(\$750,000)	-

General Fund Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services/Revenue from Local Agencies (Law Enforcement Mutual Aid for Sonoma Complex Fire)	Police Department	-	\$72,648	\$72,648

This action increases the Police Department Personal Services appropriation and increases the estimate for Revenue from Local Agencies by \$72,648 to reflect reimbursements from Sonoma County for Mutual Aid services provided for the Sonoma Complex Fire. On October 10, 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available to the State of California to supplement local response and recovery efforts in the areas affected. This federal disaster assistance enabled local law enforcement agencies to provide mutual aid to the Sonoma County Sheriff's Office. San José Police Department Officers and Public Safety Dispatchers assisted the Sonoma County Sheriff's Office with law enforcement services in connection with the wildfires from October 13, 2017 through 18, 2017.

Transfer from the General Purpose Parking Fund (4th of July Independence Day Celebration)	Department	-	-	\$40,000
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This action increases estimated revenue from Transfers and Reimbursements by \$40,000 to account for a transfer from the General Purpose Parking Fund. In the Mayor's March Budget Message for Fiscal Year 2018-2019, the Administration was directed to identify funding from the General Purpose Parking Fund and/or the Transient Occupancy Tax Fund to support the 2018 4th of July City Celebrations and Fireworks event. This action recognizes one-time funding from the General Purpose Parking Fund (\$40,000) for this event. Existing funding from the Transient Occupancy Tax Fund (\$80,000), from the existing 2017-2018 Arts and Cultural Development Grants Program, will support the 2018 event. Corresponding actions to transfer funds and decrease the Ending Fund Balance for the General Purpose Parking Fund are recommended elsewhere in this memorandum.

Grants-Reimbursements-Fees	-	\$48,139,874	\$50,857,401
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General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal			USE		Total Use	SOURCE		NET COST
			Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES								
B-1	City Attorney's Office							
	Required Technical-Rebalancing Actions	Non-Personal/Equipment (Litigation Costs)	-	\$125,000	\$125,000	-	-	\$125,000
	City Attorney's Office	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)	(\$75,000)	-	(\$75,000)	-	-	(\$75,000)
	Clean-Up Actions	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$75,000	\$75,000	-	-	\$75,000
	City Manager's Office							
	Required Technical-Rebalancing Actions	Non-Personal/Equipment (Reallocation from Fire Department for CERT Program)	-	\$130,000	\$130,000	-	-	\$130,000
		Personal Services (Vacancy Savings)	(\$104,000)	-	(\$104,000)	-	-	(\$104,000)
		Non-Personal/Equipment (Essential Emergency Management Concepts Training)	-	\$104,000	\$104,000	-	-	\$104,000
	City Manager's Office							
	Clean-Up Actions	Tech Adjust: Non-Personal/Equipment (Reallocation to Personal Services for Temporary Staffing)	-	(\$82,000)	(\$82,000)	-	-	(\$82,000)
		Tech Adjust: Personal Services (Reallocation from Non-Personal/Equipment for Temporary Staffing)	\$82,000	-	\$82,000	-	-	\$82,000
City Manager - Office of Economic Development								
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Rotary International 4th of July Independence Day Celebration)	-	\$40,000	\$40,000	-	-	\$40,000	

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
City Manager - Office of Economic Development	Tech Adjust: Non-Personal/Equipment (Reallocation to Public Works for Ethnic and Minority-Led Small Business Grant Program)	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
Clean-Up Actions		-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
Environmental Services Department							
Required Technical-Rebalancing Actions	Personal Services (Illegal Dumping Costs)	\$130,000	-	\$130,000	-	-	\$130,000
Finance Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Payroll Technical Support)	-	\$120,000	\$120,000	-	-	\$120,000
	Non-Personal/Equipment (Online Business Tax Application)	-	\$28,000	\$28,000	-	-	\$28,000
Fire Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Reallocation to City Manager's Office for CERT Program)	-	(\$130,000)	(\$130,000)	-	-	(\$130,000)
Fire Department							
Grants-Reimbursements-Fees	Personal Services/Revenue from State of California (Strike Team Deployments)	\$385,000	-	\$385,000	\$444,416	-	(\$59,416)
	Non-Personal/Equipment/Revenue from State of California (SHSGP 2015 Award for Jon Boats)	-	\$6,217	\$6,217	\$6,217	-	-
Fire Department							
Clean-Up Actions	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$800,000)	-	-	-	-	-	-
Human Resources Department							
Clean-Up Actions	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$70,000	\$70,000	-	-	\$70,000
	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)	(\$70,000)	-	(\$70,000)	-	-	(\$70,000)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		USE			SOURCE	NET COST	
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
DEPARTMENTAL EXPENSES							
Library Department							
Actions	Required Technical-Rebalancing						
	Personal Services (Vacancy Savings)	(\$928,000)	-	(\$928,000)	-	-	(\$928,000)
	Non-Personal/Equipment (San José State University Agreement)	-	\$928,000	\$928,000	-	-	\$928,000
Library Department							
Clean-Up Actions	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)	(\$42,000)	-	(\$42,000)	-	-	(\$42,000)
	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$42,000	\$42,000	-	-	\$42,000
Mayor & City Council							
Actions	Required Technical-Rebalancing						
	Council District #10 (Personal Services)	\$15,000	-	\$15,000	-	-	\$15,000
Mayor & City Council							
Grants-Reimbursements-Fees	Council District #01/Other Revenue (Special Event Sponsorship)	\$2,350	-	\$2,350	\$2,350	-	-
	Council District #03/Other Revenue (Special Event Sponsorship)	\$375	-	\$375	\$375	-	-
	Council District #05/Other Revenue (Special Event Sponsorship)	\$1,000	-	\$1,000	\$1,000	-	-
	Council District #07/Other Revenue (Special Event Sponsorship)	\$560	-	\$560	\$560	-	-
	Council District #08/Other Revenue (Special Event Sponsorship)	\$4,450	-	\$4,450	\$4,450	-	-
	Council District #10/Other Revenue (Special Event Sponsorship)	\$2,000	-	\$2,000	\$2,000	-	-
	Office of the Mayor/Other Revenue (Special Event Sponsorship)	\$163,000	-	\$163,000	\$163,000	-	-

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
Parks, Recreation and Neighborhood Services Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Electricity Costs)	-	\$140,568	\$140,568	-	-	\$140,568
	Personal Services (Vacancy Savings)	(\$427,000)	-	(\$427,000)	-	-	(\$427,000)
	Fee Activities (Personal Services Overage)	\$352,000	-	\$352,000	-	-	\$352,000
	Non-Personal/Equipment (Happy Hollow Park & Zoo Security)	-	\$275,000	\$275,000	-	-	\$275,000
Parks, Recreation and Neighborhood Services Department							
Clean-Up Actions	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$300,000)	-	-	-	-	-	-
Planning, Building and Code Enforcement Department							
Grants-Reimbursements-Fees	Building Development Fee Program - Personal Services (Vacancy Savings)	(\$2,000,000)	-	(\$2,000,000)	-	-	(\$2,000,000)
	Planning Development Fee Program - Personal Services (Vacancy Savings)	(\$600,000)	-	(\$600,000)	-	-	(\$600,000)
	Planning Development Fee Program - Non-Personal/Equipment (Contractual Services Savings)	-	(\$150,000)	(\$150,000)	-	-	(\$150,000)
Planning, Building and Code Enforcement Department							
Clean-Up Actions	Tech Adjust: Salary and Benefits to Overtime Reallocation - Building Development Fee Program (\$400,000)	-	-	-	-	-	-
Police Department							
Required Technical-Rebalancing Actions	Personal Services (Overage)	\$6,000,000	-	\$6,000,000	-	-	\$6,000,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

			USE		SOURCE		NET COST
Department/Proposal			Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance
DEPARTMENTAL EXPENSES							
		Non-Personal/Equipment (Centrally Determined/Other Savings)	-	(\$1,950,000)	(\$1,950,000)	-	- (\$1,950,000)
Police Department		Personal Services/Fees, Rates, and Charges (Law Enforcement Mutual Aid for Sonoma Complex Fire)	\$72,648	-	\$72,648	\$72,648	- \$0
Police Department							
	Technical Adjustments	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$6,620,000)	-	-	-	-	-
Public Works Department							
	Required Technical-Rebalancing Actions	Personal Services (Overage)	\$1,550,000	-	\$1,550,000	-	- \$1,550,000
B-5 Public Works Department		Tech Adjust: Non-Personal/Equipment (Reallocation from Office of Economic Development for Ethnic and Minority-Led Small Business Grant Program)	-	\$50,000	\$50,000	-	- \$50,000
Transportation Department							
	Required Technical-Rebalancing Actions	Non-Personal/Equipment (Our City Forest Nursery Lease)	-	\$105,000	\$105,000	-	- \$105,000
Transportation Department		Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing and Parking Citations Processing)	-	\$40,000	\$40,000	-	- \$40,000
	Clean-Up Actions	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing and Parking Citations Processing)	(\$40,000)	-	(\$40,000)	-	- (\$40,000)
		Tech Adjust: Salary and Benefits to Overtime Reallocation (\$600,000)	-	-	-	-	-
DEPARTMENTAL EXPENSES TOTAL			\$4,474,383	(\$83,215)	\$4,391,168	\$697,016	- \$3,694,152

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE Revenue	NET COST Beg Fund Balance
CITY-WIDE EXPENSES						
Required Technical-Rebalancing Actions	CAFR Annual Audit	-	\$65,000	\$65,000	-	\$65,000
	Elections and Ballot Measures	-	\$406,000	\$406,000	-	\$406,000
	Workers' Compensation Claims - Police	-	\$860,000	\$860,000	-	\$860,000
	Grant Compliance Single Audit Workers' Compensation Claims - PRNS	-	(\$40,000)	(\$40,000)	-	(\$40,000)
	Bond Project Audits	-	\$160,000	\$160,000	-	\$160,000
	Workers' Compensation Claims - Others	-	(\$49,000)	(\$49,000)	-	(\$49,000)
	2013 Encourage Arrest Policies and Enforcement of Protection Orders Program Grant	-	(\$275,000)	(\$275,000)	-	(\$275,000)
	Homeless Response Team	-	\$5,959	\$5,959	-	\$5,959
	Arena Traffic Control	-	\$340,000	\$340,000	-	\$340,000
	Workers' Compensation Claims - Fire	-	\$80,000	\$80,000	-	\$80,000
	Workers' Compensation Claims - Transportation	-	(\$500,000)	(\$500,000)	-	(\$500,000)
	Ballot Measure Polling	-	\$15,000	\$15,000	-	\$15,000
	Business Tax System Replacement	-	\$100,000	\$100,000	-	\$100,000
	Hospital Intervention Program – CalOES Grant (2018)/Revenue from State of California	-	\$160,000	\$160,000	-	\$160,000
	Grants-Reimbursements-Fees	-	\$66,500	\$66,500	\$66,500	-
	Convention Center Lease Payments/Revenue from Local Agencies	-	\$13,562,000	\$13,562,000	\$13,562,000	-

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
CITY-WIDE EXPENSES							
	BeautifySJ Grants/Other Revenue	-	\$78,020	\$78,020	\$78,020	-	-
	California Gang Reduction, Intervention and Prevention (CALGRIP) Grant 2015/Revenue from State of California	-	(\$330,956)	(\$330,956)	(\$326,901)	-	(\$4,055)
	FMC Debt Service Payments/Other Revenue	-	\$35,850,000	\$35,850,000	\$38,177,387	-	(\$2,327,387)
	National Forum Capacity - Building Grant OJJDP 2012-2016/Revenue from Federal Government	-	(\$83,290)	(\$83,290)	(\$53,621)	-	(\$29,669)
Clean-Up Actions	Tech Adjust: Annual Audit (Reallocation to CAFR Annual Audit)	-	(\$185,000)	(\$185,000)	-	-	(\$185,000)
	Tech Adjust: CAFR Annual Audit (Reallocation from Annual Audit)	-	\$185,000	\$185,000	-	-	\$185,000
	CITY-WIDE EXPENSES TOTAL	-	\$50,470,233	\$50,470,233	\$51,503,385	-	(\$1,033,152)
EARMARKED RESERVES							
Required Technical-Rebalancing Actions	Self-Insured Medical Fund Reserve (Reallocation to Transfer to the Self- Insured Medical Fund)	-	(\$1,650,000)	(\$1,650,000)	-	-	(\$1,650,000)
	2017-2018 Ending Fund Balance Reserve	-	\$27,000,000	\$27,000,000	-	-	\$27,000,000
Grants-Reimbursements-Fees	Fire Development Fee Program Reserve/Licenses and Permits	-	(\$400,000)	(\$400,000)	(\$400,000)	-	-
	General Plan Update Reserve/Fees, Rates, and Charges	-	\$260,000	\$260,000	\$260,000	-	-

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE Revenue	Beg Fund Balance	NET COST
EARMARKED RESERVES							
	Building Development Fee Program Reserve	-	\$2,000,000	\$2,000,000	-	-	\$2,000,000
	Planning Development Fee Program Reserve	-	(\$750,000)	(\$750,000)	-	-	(\$750,000)
	EARMARKED RESERVES TOTAL	-	\$26,460,000	\$26,460,000	(\$140,000)	-	\$26,600,000
TRANSFERS							
Required Technical-Rebalancing Actions	Transfer to the Self-Insured Medical Fund (Reallocation from Self-Insured Medical Fund Reserve)	-	\$1,650,000	\$1,650,000	-	-	\$1,650,000
	Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	-	\$220,000	\$220,000	-	-	\$220,000
	TRANSFERS TOTAL	-	\$1,870,000	\$1,870,000	-	-	\$1,870,000
REVENUE ADJUSTMENTS							
Required Technical-Rebalancing Actions	Revenue - Property Tax	-	-	-	\$16,000,000	-	(\$16,000,000)
	Revenue - Sales Tax	-	-	-	\$6,000,000	-	(\$6,000,000)
	Revenue - Business Taxes	-	-	-	\$5,000,000	-	(\$5,000,000)
	Revenue - State of California	-	-	-	\$2,000,000	-	(\$2,000,000)
	Revenue - Other Revenue	-	-	-	\$2,000,000	-	(\$2,000,000)
	Revenue - Local Agencies	-	-	-	\$1,000,000	-	(\$1,000,000)
	Revenue from Federal Government (TF3 Trainings Reimbursement)	-	-	-	\$200,000	-	(\$200,000)
Grants-Reimbursements-Fees	Fees, Rates, and Charges (Planning Development Fee Program)	-	-	-	(\$1,500,000)	-	\$1,500,000

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Department/Proposal	Personal Services	USE	Total Use	SOURCE	Beg Fund Balance	NET COST
		Non-Personal/ Equipment		Revenue		
REVENUE ADJUSTMENTS						
Clean-Up Actions	Transfer from the General Purpose Parking Fund (4th of July Independence Day Celebration)	-	-	-	\$40,000	- (\$40,000)
	Transfers and Reimbursements (Broadway San José Ticket Revenue)	-	-	-	\$57,000	- (\$57,000)
	Tech Adjust: Revenue from Local Agencies (Reallocation to Revenue from State of California)	-	-	-	(\$75,000)	- \$75,000
	Tech Adjust: Revenue from State of California (Reallocation from Revenue from Local Agencies)	-	-	-	\$75,000	- (\$75,000)
	Tech Adjust: Transfers and Reimbursements (Interest Earnings from Capital Funds)	-	-	-	\$322,000	- (\$322,000)
	Tech Adjust: Transfers and Reimbursements (Interest Earnings from Vehicle Maintenance and Operations Fund)	-	-	-	\$12,000	- (\$12,000)
	REVENUE ADJUSTMENTS TOTAL	-	-	-	\$31,131,000	- (\$31,131,000)
TOTAL GENERAL FUND		\$4,474,383	\$78,717,018	\$83,191,401	\$83,191,401	- \$0

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Fiscal Agent Fund (525)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Principal and Interest Payments/Transfers and Reimbursements	Airport Department		\$4,915,063	\$4,915,063

This action increases the Transfer from the Airport Revenue Fund and increases the Principal and Interest Payments appropriation by \$4,915,063 (from \$96,354,517 to \$101,269,580). This action ensures there is sufficient funding available to cover the debt service interest for 2017-2018. A corresponding decrease to the Airline Agreement Reserve and a corresponding increase to the Transfer from the Airport Revenue Fund are recommended to offset this action.

Airport Fiscal Agent Fund (525)	\$4,915,063	\$4,915,063
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Maintenance And Operation Fund (523)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Planning, Building and Code Enforcement Department		\$6,000	
This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation by \$6,000 (from \$47,000 to \$53,000). The increase is needed primarily to cover higher than anticipated costs for a portion of a Planning Division Manager position that was filled with an employee at a higher compensation level than was budgeted. A corresponding decrease to the Operations Contingency is recommended to offset this action.				
Operations Contingency	Airport Department		(\$190,000)	
This action decreases the Operations Contingency to offset the actions recommended in this memorandum.				
Personal Services (Overage)	City Attorney's Office		\$140,000	
This action increases the City Attorney's Office Personal Services appropriation by \$140,000 (from \$700,138 to \$840,138) to reflect higher than anticipated legal support costs. A corresponding decrease to the Operations Contingency is recommended to offset this action.				
Retiree Healthcare Solutions Reserve/Operations Contingency	Airport Department			
This action clarifies the budget adjustments approved during the 2017-2018 Mid-Year Review to eliminate the Retiree Healthcare Solutions Reserve (\$893,297). The action displayed in the report was incorrectly shown as a Fund Balance Reconciliation, even though the Appropriation Ordinance was amended to show the liquidation of the reserve and its reallocation to the Operations Contingency. As the funding has already been moved, this narrative correctly documents the previous elimination of the Retiree Healthcare Solutions Reserve in the amount of \$893,297 and the corresponding increase to the Operations Contingency.				

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Maintenance And Operation Fund (523)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Public Art - Wall of Remembrance)	City Manager - Office of Economic Development		\$3,000	
This action increases the Office of Economic Development Personal Services appropriation by \$3,000 (from \$121,565 to \$124,565) to ensure sufficient funding for managing the removal and re-installation of the Airport's Wall of Remembrance public art structure. A corresponding decrease to the Operations Contingency is recommended to offset this action.				
Personal Services (Overage)	City Manager - Office of Economic Development		\$41,000	
This action increases the Office of Economic Development Personal Services appropriation by \$41,000 (from \$121,565 to \$162,565) to reflect higher than anticipated staff costs in the Airport's Business Development work group. A corresponding decrease to the Operations Contingency is recommended to offset this action.				

Airport Maintenance And Operation Fund (523)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Airline Agreement Reserve (Commercial Paper Pay Down)	Airport Department		(\$15,000,000)	
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This action decreases the Airline Agreement Reserve (\$63,175,605) by \$15.0 million. Passenger activity at the Airport has been experiencing marked growth over the last few years, causing Airport revenue tracking to exceed budgeted levels in 2017-2018. The Airport is recommending to use these excess revenues to pay down commercial paper debt, a strategy that is also supported by the airlines. A corresponding increase in the Transfer to the Airport Surplus Revenue Fund and a Transfer from the Airport Revenue Fund are recommended to offset this action.

Airline Agreement Reserve (Debt Service Interest)	Airport Department		(\$4,915,063)	
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This action decreases the Airline Agreement Reserve (\$63,175,605) by \$4,915,063 so that the funding may be transferred to the Airport Fiscal Agent Fund and allocated to ensure sufficient funds are available to cover the debt service interest payment for 2017-2018. Corresponding increases in the Transfers to the Airport Fiscal Agent Fund and Transfer from the Airport Revenue Fund are recommended to offset this action.

Transfer to the Airport Surplus Revenue Fund (Commercial Paper Pay Down)	Airport Department		\$15,000,000	
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This action increases the Transfer to the Airport Surplus Revenue Fund in the amount of \$15.0 million (from \$17,104,783 to \$32,104,783) to fund an additional payment on the Airport's outstanding commercial paper debt. Passenger activity at the Airport has been experiencing marked growth over the last few years, and Airport revenues are tracking to exceed budgeted levels in 2017-2018. This action uses the additional revenue to pay down commercial paper debt, a strategy that is also supported by the airlines. A corresponding decrease to the Airline Agreement Reserve and corresponding increase in the Airport Surplus Revenue Fund are recommended to offset this action.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Airport Fiscal Agent Fund (Debt Service Interest)	Airport Department		\$4,915,063	
<p>This action increases the Transfer to the Airport Fiscal Agent Fund by \$4,915,063 (from \$53,198,869 to \$58,113,932) so that the funding may be transferred and allocated to ensure sufficient funds are available to cover the debt service interest payment for 2017-2018. A corresponding decrease to the Airline Agreement Reserve and a corresponding increase in the Airport Fiscal Agent Fund are recommended to offset this action.</p>				
Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	Airport Department		\$220,000	\$220,000

This action establishes a Transfer from the General Fund and increases the Airline Agreement Reserve appropriation by \$220,000. Per Federal Aviation Administration (FAA) policy, beginning December 8, 2017, Sales Tax revenue related to jet fuel sales that are located on Airport properties must be returned to the Airport Department. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this time frame, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax, effective October 2016, must follow the FAA policy. This transaction transfers funding of \$220,000 from the General Fund to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from December 2017 through June 2018. Corresponding actions in the General Fund are recommended to offset this action.

Airport Revenue Fund (521)	\$220,000	\$220,000
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Commercial Paper Principal and Interest/Transfers and Reimbursements	Airport Department		\$15,000,000	\$15,000,000

This action increases the Transfer from the Airport Revenue Fund and increases the Commercial Paper Principal and Interest appropriation by \$15.0 million (from \$3,104,783 to \$18,104,783) to fund an additional payment on the Airport's outstanding commercial paper debt. Passenger activity at the Airport has been experiencing marked growth over the last few years, and Airport revenues are tracking to exceed budgeted levels in 2017-2018. This action uses this additional revenue to pay down commercial paper debt, a strategy that is also supported by the airlines. A corresponding increase in the transfer from the Airport Revenue Fund is recommended to offset this action.

Airport Surplus Revenue Fund (524)		\$15,000,000	\$15,000,000
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Benefits Funds - Benefit Fund (160)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Wellness Program/Other Revenue (Contractual Performance Guarantee Penalties)	Human Resources Department		\$52,993	\$52,993

This action increases the Wellness Program appropriation and corresponding estimate for Other Revenue for Contractual Performance Guarantee Penalties by \$52,993. The Contractual Performance Guarantee Penalties are collected based on service failures from vendors that resulted in additional work and priority shifts within the Human Resources Department's benefits division and reduced service to employees. These funds are recommended to be allocated to the Wellness Program appropriation to provide incentives to employees to participate in Wellness activities.

General Employee Vision/Transfers and Reimbursements (General Employee Vision)	Human Resources Department		\$10,000	\$10,000
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This action increases the estimate for Transfers and Reimbursements and corresponding General Employee Vision appropriation by \$10,000 (from \$313,000 to \$323,000) to address higher vision costs based on actual performance. Due to an increase in hiring, there was an increase in the vision enrollment and related costs, offset by increased contributions by various City Funds.

Benefits Funds - Benefit Fund (160)			\$62,993	\$62,993
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Benefits Funds - Dental Insurance Fund (155)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Increased Enrollments)	Human Resources Department		\$45,000	
<p>This action increases the Human Resources Department Non-Personal/Equipment appropriation by \$45,000 (from \$486,000 to \$531,000) to address higher administration fees for Delta Dental, due to a rate increase in the Administrative Services Only (ASO) fee that went into effect in January 1, 2018 and an increase in total enrollments to the Delta Dental HMO since September 2017. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Human Resources Department		(\$45,000)	
<p>This action decreases the Ending Fund Balance by \$45,000 to offset the action recommended in this memorandum.</p>				

Benefits Funds - Dental Insurance Fund (155)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Benefits Funds - Self-Insured Medical Fund (158)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Payment of Claims</p> <p>This action increases the Payment of Claims appropriation by \$936,000 (from \$11.8 million to \$12.7 million) to address higher than budgeted claims payments for employees. Total estimated claims for 2017-2018 of \$12.7 million were estimated by the City's actuary and supported by actual claims payments. This reflects a 7.6% increase in total projected claims costs. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum to offset this action.</p>	Human Resources Department		\$936,000	
<p>Transfers and Reimbursements (Transfer from General Fund)</p> <p>This action establishes a transfer from the General Fund to the Self-Insured Medical Fund in the amount of \$1.65 million to address a projected funding shortfall in the Self-Insured Medical Fund. Funds were previously reserved in anticipation of this potential shortfall as part of the 2017-2018 Mid-Year Budget Review. With a 14.4% total open enrollment loss, effective January 2018, and a 7.6% increase in total projected claims costs, the combined impact is projected to result in a shortfall as part of the actions included in the 2017-2018 Mid-Year Budget Review. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>	Human Resources Department			\$1,650,000
<p>Self-Insured Medical Claims Reserve</p> <p>This action eliminates the Self-Insured Medical Claims Reserve of \$500,000 to address an anticipated funding shortfall due to actual enrollment experience, participation contributions, and medical claims expenses. With a 14.4% total open enrollment loss, effective January 2018, and a 7.6% increase in total projected claims costs, the combined impact is projected to result in a shortfall of \$1.65 million. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>	Human Resources Department		(\$500,000)	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance by \$21,600 to offset the actions recommended in this memorandum.</p>	Human Resources Department		(\$21,600)	

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Benefits Funds - Self-Insured Medical Fund (158)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Reimbursement from Stop Loss)	Human Resources Department			\$59,000
<p>This action increases the estimate for Transfers and Reimbursements by \$59,000 for Reimbursements from Stop Loss Insurance. The City has received reimbursements from the Stop Loss Insurance provider totaling \$131,885, from which a hospital credit of \$73,019 was subsequently processed. Anticipated reimbursements from the Stop Loss Insurance provider are now projected at \$59,000. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>				
Fees, Rates, and Charges (COBRA Revenue)	Human Resources Department			\$26,400
<p>This action increases the estimate for Fees, Rates, and Charges for COBRA Revenue in the amount of \$26,400 to reflect COBRA participation. To date, \$17,701 has been collected, with an additional \$8,000 expected based on the current participation. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>				
Transfers and Reimbursements (Reimbursements from City Funds and Retirement Funds)	Human Resources Department			(\$1,321,000)
<p>This action decreases the estimate for Transfers and Reimbursements for City and Retirement Fund Reimbursements by \$1.3 million to reflect lower projections of Reimbursements from City Funds (from \$1.6 million to \$1.4 million) and Retirement Funds (from \$10.2 million to \$9.1 million) based on actual enrollment experience. During the most recent enrollment period for the 2018 calendar year, enrollees in the plan declined 14.4%, including a 10.7% drop for active employees and a 15.4% drop for retirees. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.</p>				
Benefits Funds - Self-Insured Medical Fund (158)			\$414,400	\$414,400

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Business Improvement District Fund (351)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Willow Glen Community Benefit Improvement District	City Manager - Office of Economic Development		(\$25,135)	
This action decreases the Willow Glen Community Benefit Improvement District appropriation by \$25,135 (from \$345,485 to \$320,350) to account for lower than anticipated service needs in the District. Corresponding increases to the Willow Glen CBID Reserve and Administration Services appropriation are recommended to offset this action.				
Willow Glen CBID Reserve	City Manager - Office of Economic Development		\$20,135	
This action establishes the Willow Glen CBID Reserve in the amount of \$20,135 to set aside anticipated savings in the Willow Glen Community Benefit Improvement District appropriation resulting from lower than anticipated service needs in the District. A corresponding decrease to the Willow Glen Community Benefit Improvement District appropriation is recommended to offset this action.				
Administration Services	Public Works Department		\$5,000	
This action increases the Administration Services appropriation by \$5,000 (from \$5,000 to \$10,000) to account for additional staff support for this District. This action is offset by a recommended decrease to the Willow Glen Community Benefit Improvement District appropriation.				
Downtown Business Improvement District/Special Assessments	City Manager - Office of Economic Development		\$20,000	\$20,000
This action increases the Downtown Business Improvement District appropriation by \$20,000 (from \$740,148 to \$760,148) and corresponding estimate for Special Assessments by \$20,000 (from \$3,755,000 to \$3,775,000) to recognize and appropriate higher than anticipated Downtown Business Improvement District revenue.				

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Year-End Budget Review**

Business Improvement District Fund (351)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Hotel Business Improvement District/Special Assessments	City Manager - Office of Economic Development		\$385,000	\$385,000

This action increases the Hotel Business Improvement District appropriation by \$385,000 (from \$3,009,336 to \$3,394,336) and corresponding estimate for Special Assessments by \$385,000 (from \$3,755,000 to \$4,140,000) to recognize and appropriate higher than anticipated Downtown Business Improvement District revenue.

Business Improvement District Fund (351)	\$405,000	\$405,000
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Finance Department		(\$2,383,432)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				
Operating/Debt Subsidy	Finance Department		\$600,000	
This action increases the Operating/Debt Subsidy appropriation by \$600,000 (from \$3.5 million to \$4.1 million) to offset lower revenue resulting from a decline in business activity related to the continued uncertainty surrounding the potential sale of the Hayes Mansion property. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Hayes Repair and Improvements	Finance Department		(\$467,000)	
This action decreases the Hayes Repair and Improvements appropriation by \$367,000 (from \$767,000 to \$400,000). Each year, four percent of revenue is set aside for the repair and improvements of the property; however, improvements were put on hold during the negotiations of the sale of the Hayes Mansion. A corresponding increase to the Hayes Capital Improvement Reserve is recommended to offset this action.				
Hayes Capital Improvement Reserve	Finance Department		\$2,250,432	
This action establishes a Hayes Capital Improvement Reserve in the amount of \$2.3 million to separately identify the accumulated Furnishing, Fixture, and Equipment (FF&E) reserve for future Hayes Capital Improvement expenditures. The amount is set at the 2016-2017 FF&E balance plus four percent of 2017-2018 estimated revenue minus estimated Hayes Repair and Improvement expenditures in 2017-2018. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				

Community Facilities Revenue Fund (422)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Convention And Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the General Fund/Other Revenue (Broadway San José)	City Manager - Office of Economic Development		\$57,000	\$57,000

This action increases estimated revenue from Broadway San José tickets sold during 2017-2018 and the corresponding General Fund - Broadway San José transfer from the Convention and Cultural Affairs Fund by \$57,000. Team San Jose collects \$1 for every ticket sold for a Broadway San José show and then remits these payments to the City for repayment of a past loan made to the American Musical Theater (AMT) in the amount of \$1 million. Receipts are collected in the Convention and Cultural Affairs Fund and then transferred to the General Fund, the originating funding source of the AMT loan. The budget assumed ticket sale receipts in 2017-2018 of \$100,000. Projected receipts for 2017-2018 total \$157,000. A corresponding action to recognize the increased transfer in the General Fund is recommended to offset this action. It is anticipated that the loan, which has a current balance of \$198,011, will be repaid by 2019-2020.

Convention And Cultural Affairs Fund (536)	\$57,000	\$57,000
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Convention Center Facility District Capital Fund	City Manager - Office of Economic Development		\$165,000	
<p>This action increases the Transfer to Convention Center Facility District Capital Fund from the Convention Center Facility District Revenue Fund by \$165,000 (from \$1,710,000 to \$1,875,000) to support unanticipated costs incurred for fire watch and crowd control monitoring during delivery of the Convention Center Exhibit Hall Lighting and Ceiling Upgrades project. A corresponding decrease to Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development		(\$165,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.</p>				

Convention Center Facilities District Revenue Fund (791)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Emergency Reserve Fund (406)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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2017 Flood - Finance Claims Administration	Finance Department		\$85,000	
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This action increases the 2017 Flood – Finance Claims Administration appropriation by \$85,000 (from \$200,000 to \$285,000) for consulting costs related to administrating flood claims. The Finance Department has been using this appropriation for clerical temporary staffing and flood recovery consulting to obtain FEMA reimbursements to help the City recover from property damage resulting from the storm and flood events in the winter of 2017. The additional funding is needed to cover higher than anticipated consulting costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Finance Department		(\$85,000)	
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This action decreases the Ending Fund Balance by \$85,000 to offset the action recommended in this memorandum.

Emergency Reserve Fund (406)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

General Purpose Parking Fund (533)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Transfer to the General Fund (4th of July Independence Day Celebration)	Transportation Department		\$40,000	
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This action increases the Transfer to the General Fund from the General Purpose Parking Fund by \$40,000 (from \$1,315,513 to \$1,355,513) in accordance with direction from the Mayor's March Budget Message for Fiscal Year 2018-2019 to identify funding from the General Purpose Parking Fund and/or the Transient Occupancy Tax Fund to support the 2018 4th of July City Celebrations and Fireworks event. One-time funding from the General Purpose Parking Fund (\$40,000) and the Transient Occupancy Tax Fund (\$80,000), from 2017-2018 cultural grant allocations, will support the 2018 event. Corresponding actions to decrease the Ending Fund Balance for the General Purpose Parking Fund, and to recognize and appropriate the transferred funds within the General Fund are recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$88,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.

Transfer to the General Purpose Parking Capital Fund (PW CAP Support)	Transportation Department		\$48,000	
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This action increases the transfer from the General Purpose Parking Fund to the General Purpose Parking Capital Fund (from \$39,000 to \$87,000) to support actual direct labor and professional services costs from the Public Works Department for project support during 2017-2018. Corresponding actions to recognize this transfer and increase funding for Capital Program and Public Works Department Support Service Costs within the General Purpose Parking Capital Fund, and to decrease the Ending Fund Balance within the General Purpose Parking Fund are recommended to offset this action.

General Purpose Parking Fund (533)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Library – General Gifts/Other Revenue	Library Department		\$236,606	\$236,606

This action increases the Library – General Gifts appropriation and estimate for Other Revenue by \$236,606 to recognize and appropriate gifts made by various donors, such as Friends of Library groups and the San José Library Foundation, in support of the following: Almaden Branch Library (\$30,171); Alviso Branch Library (\$2,455); Alviso Homework Center (\$10,163); Alum Rock Branch Library (\$3,967); Bascom Branch Library (\$4,145); Berryessa Branch Library (\$5,907); Biblioteca Latinoamericana Branch Library (\$5,510); Bridge Library projects (\$90,000); Cambrian Branch Library (\$5,525); Dr. Martin Luther King, Jr. Library (\$5,900); East San José Carnegie Branch Library (\$975); Educational Park Branch Library (\$3,813); Edenvale Branch Library (\$990); Evergreen Branch Library (\$2,286); Hillview Branch Library (\$2,632); Joyce Ellington Branch Library (\$3,319); Maker[Space]Ship (\$300); Partners in Reading program (\$500); Pearl Avenue Branch Library (\$3,807); Rose Garden Branch Library (\$6,531); Santa Teresa Branch Library (\$3,475); Seven Trees Branch Library (\$500); Summer Learning (\$16,425); Tully Branch Library (\$1,905); vendor services and special events (\$3,227); Vineland Branch Library (\$2,660); Village Square Branch Library (\$11,200); Willow Glen Branch Library (\$3,268); and West Valley Branch Library (\$5,050).

Camden Community Center Miscellaneous Gifts/Other Revenue	Parks, Recreation and Neighborhood Services Department		\$7,855	\$7,855
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This action establishes the Camden Community Center Miscellaneous Gifts appropriation and increases the corresponding estimate for Other Revenue by \$7,855. This action recognizes and appropriates the gifts received. The various donations are from community members to enhance programs and facilities at Camden Community Center throughout the year.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Miscellaneous Gifts/Other Revenue	Police Department		\$9,500	\$9,500

This action increases the Miscellaneous Gifts appropriation in the Gift Trust Fund and the corresponding estimate for Other Revenue to recognize and appropriate a \$9,500 gift from the Nunez Community Foundation – Molly Ann Brown Fund for the purchase of "Phoenix," a Police Service Dog.

Mitty/Bevans Pedestrian Safety Project/Other Revenue	Transportation Department		\$50,000	\$50,000
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This action recognizes and appropriates a gift from Archbishop Mitty High School in the amount of \$50,000 for the installation of pedestrian safety measures, including two solar-powered flashing beacons, crosswalk markings, roadway striping, pedestrian signage, and the construction of two bulb-outs. These measures are intended to enhance pedestrian mobility and safety within the public Right-of-Way on Mitty Way and Bevans Drive, adjacent to Archbishop Mitty High School.

Gift Trust Fund (139)			\$303,961	\$303,961
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Housing Trust Fund (440)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Overhead	Housing Department		\$33,000	

This action increases the Overhead appropriation by \$33,000 (from \$72,000 to \$105,000) to align with projected expenses. During preparation of the 2017-2018 Proposed Operating Budget, overhead was inadvertently calculated using a lower rate than developed for this fund. A corresponding action to decrease the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$33,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.

Housing Trust Fund (440)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	City Attorney's Office		\$8,000	
This action increases the City Attorney's Office Personal Services appropriation by \$8,000 (from \$47,000 to \$55,000) to reflect higher than anticipated levels of legal services related to Integrated Waste Management activities. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Single Family Dwelling Processing	Environmental Services Department		(\$1,650,000)	
This action decreases the Single Family Dwelling Processing appropriation by \$1,650,000 (from \$14,257,241 to \$12,607,241). Program savings are anticipated by year-end due to lower hauler incentives, based on lower than anticipated waste diversion from the landfills. This action will offset increases to the Environmental Services Department Non-Personal/Equipment and IDC Disposal Agreement appropriations recommended in this memorandum.				
Non-Personal/Equipment (Illegal Dumping Costs)	Environmental Services Department		\$450,000	
This action increases the Environmental Services Department Non-Personal/Equipment appropriation by \$450,000 to address higher than anticipated costs related to the Illegal Dumping Program. A corresponding decrease to the Single Family Dwelling Processing appropriation is recommended to offset this action.				
IDC Disposal Agreement	Environmental Services Department		\$1,200,000	
This action increases the IDC Disposal Agreement appropriation by \$1,200,000 to reflect higher than anticipated costs associated with landfill fees. A combination of more solid waste than projected entering the landfill and the partial temporary shutdown of the contractor's backend processing facility resulted higher costs. A corresponding decrease to the Single Family Dwelling Processing appropriation is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$8,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.				

Integrated Waste Management Fund (423)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Public Works Department		\$75,000	
This action increases the Public Works Department Personal Services appropriation by \$75,000 (from \$106,064 to \$181,064) for higher than anticipated retirement costs resulting from Tier I retirement classified positions filling Tier II retirement budgeted vacancies. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Non-Personal/Equipment (ESRI GIS Software)	Public Works Department		\$50,000	
This action increases the Public Works Department Non-Personal/Equipment appropriation by \$50,000 (from \$20,766 to \$70,766) to support contractual services costs related to the Geographic Information System (GIS) Migration Project. This funding will support the Housing Department's GIS data migration from the current GIS data platform to the Local Government Information Model. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Office of Intergovernmental Relations Closure)	City Manager's Office		\$10,000	
This action increases the City Manager's Office Personal Services appropriation by \$10,000 (from \$35,337 to \$45,337) to fund personal services costs associated with the closure of the Sacramento Legislative Office. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Housing Department		(\$135,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				

Low And Moderate Income Housing Asset Fund (346)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Ending Fund Balance Adjustment	Housing Department		(\$16,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.

Personal Services (Rent Stabilization Fee Program)	Planning, Building and Code Enforcement Department		\$16,000	
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This action establishes a Planning, Building and Code Enforcement (PBCE) Department Personal Services appropriation for 0.2 FTE of an Accountant position supporting the Rent Stabilization Fee Programs. Although the costs were included in the calculation of the Fee, the establishment of the appropriation in the Multi-Source Housing Fund was inadvertently left out of the 2017-2018 Adopted Operating Budget. The position is currently being charged to the Housing Department Personal Services appropriation and costs will be shifted to the PBCE Department Personal Services appropriation once established. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Multi-Source Housing Fund (448)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Municipal Golf Course Fund (518)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance	Parks, Recreation and Neighborhood Services Department		(\$50,000)	
This action decreases the Ending Fund Balance by \$50,000 to offset the action recommended in this memorandum.				
Rancho del Pueblo Golf Course	Parks, Recreation and Neighborhood Services Department		\$50,000	
This action increases the Rancho del Pueblo Golf Course appropriation by \$50,000 (from \$450,000 to \$500,000) in the Municipal Golf Course Fund. The appropriation covers payments to the course operator in months when course fees are unable to cover fixed costs of operating the facility. These payments are tracking to exceed the budget due to larger operating losses. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				

Municipal Golf Course Fund (518)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Public Works Program Support Fund (150)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Compensated Time Off This action increases the Compensated Time Off appropriation by \$240,000 (from \$9.7 million to \$9.9 million) to provide funding for higher than anticipated usage of Leave Balance Pay (LBP) in 2017-2018 for employees separating from City service. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.	Public Works Department		\$240,000	
Ending Fund Balance Adjustment This action decreases the Ending Fund Balance by \$240,000 to offset the action recommended in this memorandum.	Public Works Department		(\$240,000)	

Public Works Program Support Fund (150)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service/Financing Proceeds	Community Energy Department		\$13,000	\$13,000

This action increases the estimate for Financing Proceeds (from \$5,376,000 to \$5,389,000) and increases the Debt Service appropriation (from \$250,000 to \$263,000) by \$13,000 to reflect a higher than anticipated Commercial Paper debt service payment. When the 2017-2018 San Jose Community Energy Department and budget was first approved in August 2017, budgeted estimates were developed based on very preliminary assumptions of the needs of the department. The required debt service payment for 2017-2018 was confirmed during the development of the 2018-2019 Proposed Operating Budget.

San José Clean Energy Operating Fund (501)

\$13,000 \$13,000

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

San José Municipal Stadium Capital Fund (476)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Capital Enhancements/(Revenue from the Use of Money and Property)	City Manager - Office of Economic Development		\$8,531	\$8,531

This action increases the Capital Enhancements appropriation and the estimate for Revenue from the Use of Money and Property for Muni Stadium Leasing Payment Revenue by \$8,531 (from \$101,489 to \$110,020) to reimburse the Baseball Acquisition Company (BAC) for capital improvements made at the Municipal Stadium in 2017-2018 and to reflect the higher than anticipated lease rent payment from the BAC to the City. After reconciliation of rent payments from BAC to the City, City-authorized capital repairs made to the bathrooms, box seats, and fence by BAC need to be reimbursed.

San José Municipal Stadium Capital Fund (476)			\$8,531	\$8,531
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**Special Funds Recommended Budget Adjustments Summary
2017-2018 Year-End Budget Review**

San José-Santa Clara Treatment Plant Operating Fund (513)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Office of Intergovernmental Relations Closure)	City Manager's Office		\$5,000	
This action increases the City Manager's Office Personal Services appropriation by \$5,000 (from \$24,786 to \$29,786) to fund personal services costs associated with the closure of the Sacramento Legislative Office. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$5,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.				

San José-Santa Clara Treatment Plant Operating Fund (513)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Sewer Service And Use Charge Fund (541)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	City Attorney's Office		\$25,000	
This action increases the City Attorney's Office Personal Services appropriation by \$25,000 (from \$512,000 to \$537,000) to reflect higher than anticipated levels of legal services related to Sewer Service and Use Charge Fund activities. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Office of Intergovernmental Relations Closure)	City Manager's Office		\$5,000	
This action increases the City Manager's Office Personal Services appropriation by \$5,000 (from \$21,582 to \$26,582) to fund personal services costs associated with the closure of the Sacramento Legislative Office. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Overage)	Planning, Building and Code Enforcement Department		\$9,000	
This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation by \$9,000 (from \$92,000 to \$101,000). The increase is needed primarily to cover higher than anticipated costs for a portion of a Planning Division Manager position that was filled with an employee at a higher compensation level than was budgeted. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$39,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				

Sewer Service And Use Charge Fund (541)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Storm Sewer Operating Fund (446)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Public Works Department		\$76,000	
This action increases the Public Works Department Personal Services appropriation by \$76,000 (from \$746,557 to \$822,557) to support higher than anticipated repairs for aging storm pumps citywide. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Workers' Compensation Claims	Environmental Services Department		\$10,000	
This action increases the Workers' Compensation Claims appropriation by \$10,000 (from \$131,000 to \$141,000) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs through April. The total costs are expected to exceed the budget by \$10,000 by year-end. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.				
Personal Services (Overage)	Planning, Building and Code Enforcement Department		\$10,000	
This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation by \$10,000 (from \$60,000 to \$70,000). The increase is needed primarily to cover higher than anticipated costs for a portion of a Planning Division Manager position that was filled with an employee at a higher compensation level than was budgeted. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$121,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				
Non-Personal/Equipment (Storm Pump Repairs)	Public Works Department		\$25,000	
This action increases the Public Works Department Non-Personal/Equipment appropriation by \$25,000 (from \$46,600 to \$71,600) to support higher than anticipated contractual costs related to electrical repair work on aging storm pumps citywide. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				

Storm Sewer Operating Fund (446)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Supplemental Law Enforcement Services Fund (414)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SLES Grant 2017-2019/Revenue from State of California	Police Department		\$1,035,248	\$1,035,248

This action recognizes and appropriates grant funding from the State of California's Citizen's Option for Public Safety (COPS) Program through the County of Santa Clara for the Supplemental Law Enforcement Services (SLES) Grant 2017-2019 in the amount of \$1,035,248. Funding will be used in accordance with the spending plan that was approved by the City Council on December 5, 2017. The spending plan allocates money for department hardware, software, and technology upgrades; officer safety equipment and enhancements in investigative abilities; crime prevention and community policing programs; and grants administration.

Supplemental Law Enforcement Services Fund (414)	\$1,035,248	\$1,035,248
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Year-End Budget Review

Water Utility Fund (515)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Personal Services (Overage)	City Attorney's Office		\$80,000	
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This action increases the City Attorney's Office Personal Services appropriation by \$80,000 (from \$358,000 to \$438,000) to reflect higher than anticipated levels of legal services related to Municipal Water System activities. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Environmental Services Department		(\$80,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.

Water Utility Fund (515)

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Airport Fiscal Agent Fund (525)									
Budget Adjustments									
Airport Department	Principal and Interest								
	Payments/Transfers and Reimbursements	-	-	\$4,915,063	-	\$4,915,063	\$4,915,063	-	-
Budget Adjustments Total		\$0	\$0	\$4,915,063	\$0	\$4,915,063	\$4,915,063	\$0	\$0
Airport Fiscal Agent Fund (525)									
TOTAL		\$0	\$0	\$4,915,063	\$0	\$4,915,063	\$4,915,063	\$0	\$0
Airport Maintenance And Operation Fund (523)									
Budget Adjustments									
D-1 Airport Department	Operations Contingency	-	-	(\$190,000)	-	(\$190,000)	-	-	(\$190,000)
	Retiree Healthcare Solutions Reserve/Operations Contingency	-	-	-	-	-	-	-	-
City Attorney's Office	Personal Services (Overage)	\$140,000	-	-	-	\$140,000	-	-	\$140,000
City Manager - Office of Economic Development	Personal Services (Public Art - Wall of Remembrance)	\$3,000	-	-	-	\$3,000	-	-	\$3,000
	Personal Services (Overage)	\$41,000	-	-	-	\$41,000	-	-	\$41,000
Planning, Building and Code Enforcement Department	Personal Services (Overage)	\$6,000	-	-	-	\$6,000	-	-	\$6,000
Budget Adjustments Total		\$190,000	\$0	(\$190,000)	\$0	\$0	\$0	\$0	\$0
Airport Maintenance And Operation Fund (523) TOTAL		\$190,000	\$0	(\$190,000)	\$0	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Airport Revenue Fund (521)									
Budget Adjustments									
Airport Department	Airline Agreement Reserve (Commercial Paper Pay Down)	-	-	-	(\$15,000,000)	(\$15,000,000)	-	-	(\$15,000,000)
	Airline Agreement Reserve (Debt Service Interest)	-	-	-	(\$4,915,063)	(\$4,915,063)	-	-	(\$4,915,063)
	Transfer to the Airport Surplus Revenue Fund (Commercial Paper Pay Down)	-	-	\$15,000,000	-	\$15,000,000	-	-	\$15,000,000
	Transfer to Airport Fiscal Agent Fund (Debt Service Interest)	-	-	\$4,915,063	-	\$4,915,063	-	-	\$4,915,063
	Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	-	-	-	\$220,000	\$220,000	\$220,000	-	-
Budget Adjustments Total		\$0	\$0	\$19,915,063	(\$19,695,063)	\$220,000	\$220,000	\$0	\$0
Airport Revenue Fund (521) TOTAL		\$0	\$0	\$19,915,063	(\$19,695,063)	\$220,000	\$220,000	\$0	\$0
Airport Surplus Revenue Fund (524)									
Budget Adjustments									
Airport Department	Commercial Paper Principal and Interest/Transfers and Reimbursements	-	-	\$15,000,000	-	\$15,000,000	\$15,000,000	-	-
Budget Adjustments Total		\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$15,000,000	\$0	\$0
Airport Surplus Revenue Fund (524) TOTAL		\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$15,000,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Benefits Funds - Benefit Fund (160)									
Budget Adjustments									
Human Resources									
Department	Wellness Program/Other Revenue (Contractual Performance Guarantee Penalties)	-	-	\$52,993	-	\$52,993	\$52,993	-	-
	General Employee Vision/Transfers and Reimbursements (General Employee Vision)	-	-	\$10,000	-	\$10,000	\$10,000	-	-
	Budget Adjustments Total	\$0	\$0	\$62,993	\$0	\$62,993	\$62,993	\$0	\$0
	Benefits Funds - Benefit Fund (160) TOTAL	\$0	\$0	\$62,993	\$0	\$62,993	\$62,993	\$0	\$0
Benefits Funds - Dental Insurance Fund (155)									
Clean-Up and Rebudget Actions									
Human Resources									
Department	Fund Balance Reconciliation	-	-	-	\$10,430	\$10,430	-	\$10,430	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$10,430	\$10,430	\$0	\$10,430	\$0
Budget Adjustments									
Human Resources									
Department	Non-Personal/Equipment (Increased Enrollments)	-	\$45,000	-	-	\$45,000	-	-	\$45,000
	Ending Fund Balance Adjustment	-	-	-	(\$45,000)	(\$45,000)	-	-	(\$45,000)
	Budget Adjustments Total	\$0	\$45,000	\$0	(\$45,000)	\$0	\$0	\$0	\$0
	Benefits Funds - Dental Insurance Fund (155) TOTAL	\$0	\$45,000	\$0	(\$34,570)	\$10,430	\$0	\$10,430	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Benefits Funds - Self-Insured Medical Fund (158)									
Budget Adjustments									
Human Resources Department									
	Payment of Claims	-	-	\$936,000	-	\$936,000	-	-	\$936,000
	Transfers and Reimbursements (Transfer from General Fund)	-	-	-	-	-	\$1,650,000	-	(\$1,650,000)
	Self-Insured Medical Claims Reserve	-	-	-	(\$500,000)	(\$500,000)	-	-	(\$500,000)
	Ending Fund Balance Adjustment	-	-	-	(\$21,600)	(\$21,600)	-	-	(\$21,600)
	Transfers and Reimbursements (Reimbursement from Stop Loss)	-	-	-	-	-	\$59,000	-	(\$59,000)
	Fees, Rates, and Charges (COBRA Revenue)	-	-	-	-	-	\$26,400	-	(\$26,400)
	Transfers and Reimbursements (Reimbursements from City Funds and Retirement Funds)	-	-	-	-	-	(\$1,321,000)	-	\$1,321,000
	Budget Adjustments Total	\$0	\$0	\$936,000	(\$521,600)	\$414,400	\$414,400	\$0	\$0
	Benefits Funds - Self-Insured Medical Fund (158) TOTAL	\$0	\$0	\$936,000	(\$521,600)	\$414,400	\$414,400	\$0	\$0

Business Improvement District Fund (351)

Budget Adjustments

City Manager - Office of Economic Development									
	Willow Glen Community Benefit Improvement District	-	-	(\$25,135)	-	(\$25,135)	-	-	(\$25,135)
	Willow Glen CBID Reserve	-	-	-	\$20,135	\$20,135	-	-	\$20,135
	Downtown Business Improvement District/Special Assessments	-	-	\$20,000	-	\$20,000	\$20,000	-	-

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Public Works Department	Hotel Business Improvement District/Special Assessments	-	-	\$385,000	-	\$385,000	\$385,000	-	-
	Administration Services	-	-	\$5,000	-	\$5,000	-	-	\$5,000
	Budget Adjustments Total	\$0	\$0	\$384,865	\$20,135	\$405,000	\$405,000	\$0	\$0
	Business Improvement District Fund (351) TOTAL	\$0	\$0	\$384,865	\$20,135	\$405,000	\$405,000	\$0	\$0
Community Facilities Revenue Fund (422)									
Budget Adjustments									
Finance Department									
	Ending Fund Balance Adjustment	-	-	-	(\$2,383,432)	(\$2,383,432)	-	-	(\$2,383,432)
	Operating/Debt Subsidy	-	-	\$600,000	-	\$600,000	-	-	\$600,000
	Hayes Repair and Improvements	-	-	(\$467,000)	-	(\$467,000)	-	-	(\$467,000)
	Hayes Capital Improvement Reserve	-	-	-	\$2,250,432	\$2,250,432	-	-	\$2,250,432
	Budget Adjustments Total	\$0	\$0	\$133,000	(\$133,000)	\$0	\$0	\$0	\$0
	Community Facilities Revenue Fund (422) TOTAL	\$0	\$0	\$133,000	(\$133,000)	\$0	\$0	\$0	\$0
Convention And Cultural Affairs Fund (536)									
Budget Adjustments									
City Manager - Office of Economic Development									
	Transfer to the General Fund/Other Revenue (Broadway San José)	-	-	\$57,000	-	\$57,000	\$57,000	-	-
	Budget Adjustments Total	\$0	\$0	\$57,000	\$0	\$57,000	\$57,000	\$0	\$0
	Convention And Cultural Affairs Fund (536) TOTAL	\$0	\$0	\$57,000	\$0	\$57,000	\$57,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Convention Center Facilities District Revenue Fund (791)								
Budget Adjustments								
City Manager - Office of Economic Development								
Transfer to Convention Center Facility District Capital Fund	-	-	\$165,000	-	\$165,000	-	-	\$165,000
Ending Fund Balance Adjustment	-	-	-	(\$165,000)	(\$165,000)	-	-	(\$165,000)
Budget Adjustments Total	\$0	\$0	\$165,000	(\$165,000)	\$0	\$0	\$0	\$0
Convention Center Facilities District Revenue Fund (791) TOTAL	\$0	\$0	\$165,000	(\$165,000)	\$0	\$0	\$0	\$0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)								
Clean-Up and Rebudget Actions								
Police Department								
Tech Adjust: 2015 Justice Assistance Grant/Revenue from the Use of Money/Property (Interest Earnings)	-	-	\$661	-	\$661	\$661	-	-
Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$661	\$0	\$661	\$661	\$0	\$0
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) TOTAL	\$0	\$0	\$661	\$0	\$661	\$661	\$0	\$0
Emergency Reserve Fund (406)								
Budget Adjustments								
Finance Department								
2017 Flood - Finance Claims Administration	-	-	\$85,000	-	\$85,000	-	-	\$85,000
Ending Fund Balance Adjustment	-	-	-	(\$85,000)	(\$85,000)	-	-	(\$85,000)
Budget Adjustments Total	\$0	\$0	\$85,000	(\$85,000)	\$0	\$0	\$0	\$0
Emergency Reserve Fund (406) TOTAL	\$0	\$0	\$85,000	(\$85,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
General Purpose Parking Fund (533)									
Budget Adjustments									
Transportation Department	Transfer to the General Fund (4th of July Independence Day Celebration)	-	-	\$40,000	-	\$40,000	-	-	\$40,000
	Ending Fund Balance Adjustment	-	-	-	(\$88,000)	(\$88,000)	-	-	(\$88,000)
	Transfer to the General Purpose Parking Capital Fund (PW CAP Support)	-	-	\$48,000	-	\$48,000	-	-	\$48,000
	Budget Adjustments Total	\$0	\$0	\$88,000	(\$88,000)	\$0	\$0	\$0	\$0
	General Purpose Parking Fund (533) TOTAL	\$0	\$0	\$88,000	(\$88,000)	\$0	\$0	\$0	\$0
Gift Trust Fund (139)									
Budget Adjustments									
Library Department	Library – General Gifts/Other Revenue	-	-	\$236,606	-	\$236,606	\$236,606	-	\$0
Parks, Recreation and Neighborhood Services Department	Camden Community Center Miscellaneous Gifts/Other Revenue	-	-	\$7,855	-	\$7,855	\$7,855	-	-
Police Department	Miscellaneous Gifts/Other Revenue	-	-	\$9,500	-	\$9,500	\$9,500	-	-
Transportation Department	Mitty/Bevans Pedestrian Safety Project/Other Revenue	-	-	\$50,000	-	\$50,000	\$50,000	-	-
	Budget Adjustments Total	\$0	\$0	\$303,961	\$0	\$303,961	\$303,961	\$0	\$0
	Gift Trust Fund (139) TOTAL	\$0	\$0	\$303,961	\$0	\$303,961	\$303,961	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Housing Trust Fund (440)									
Budget Adjustments									
Housing Department	Overhead	-	-	\$33,000	-	\$33,000	-	-	\$33,000
	Ending Fund Balance Adjustment	-	-	-	(\$33,000)	(\$33,000)	-	-	(\$33,000)
	Budget Adjustments Total	\$0	\$0	\$33,000	(\$33,000)	\$0	\$0	\$0	\$0
	Housing Trust Fund (440) TOTAL	\$0	\$0	\$33,000	(\$33,000)	\$0	\$0	\$0	\$0
Integrated Waste Management Fund (423)									
Clean-Up and Rebudget Actions									
Environmental Services Department	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$80,000)	-	-	-	-	-	-	-	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
City Attorney's Office	Personal Services (Overage)	\$8,000	-	-	-	\$8,000	-	-	\$8,000
Environmental Services Department	Single Family Dwelling Processing Non-Personal/Equipment (Illegal Dumping Costs)	-	(\$1,650,000)	-	-	(\$1,650,000)	-	-	(\$1,650,000)
	IDC Disposal Agreement	-	\$450,000	-	-	\$450,000	-	-	\$450,000
		-	-	\$1,200,000	-	\$1,200,000	-	-	\$1,200,000
	Ending Fund Balance Adjustment	-	-	-	(\$8,000)	(\$8,000)	-	-	(\$8,000)
	Budget Adjustments Total	\$8,000	(\$1,200,000)	\$1,200,000	(\$8,000)	\$0	\$0	\$0	\$0
	Integrated Waste Management Fund (423) TOTAL	\$8,000	(\$1,200,000)	\$1,200,000	(\$8,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Low And Moderate Income Housing Asset Fund (346)									
Budget Adjustments									
City Manager's Office	Personal Services (Office of Intergovernmental Relations Closure)	\$10,000	-	-	-	\$10,000	-	-	\$10,000
Housing Department	Ending Fund Balance Adjustment	-	-	-	(\$135,000)	(\$135,000)	-	-	(\$135,000)
Public Works Department	Personal Services (Overage)	\$75,000	-	-	-	\$75,000	-	-	\$75,000
	Non-Personal/Equipment (ESRI GIS Software)	-	\$50,000	-	-	\$50,000	-	-	\$50,000
Budget Adjustments Total		\$85,000	\$50,000	\$0	(\$135,000)	\$0	\$0	\$0	\$0
Low And Moderate Income Housing Asset Fund (346)									
TOTAL		\$85,000	\$50,000	\$0	(\$135,000)	\$0	\$0	\$0	\$0
Multi-Source Housing Fund (448)									
Budget Adjustments									
Housing Department	Ending Fund Balance Adjustment	-	-	-	(\$16,000)	(\$16,000)	-	-	(\$16,000)
Planning, Building and Code Enforcement Department	Personal Services (Rent Stabilization Fee Program)	\$16,000	-	-	-	\$16,000	-	-	\$16,000
Budget Adjustments Total		\$16,000	\$0	\$0	(\$16,000)	\$0	\$0	\$0	\$0
Multi-Source Housing Fund (448) TOTAL									
		\$16,000	\$0	\$0	(\$16,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Municipal Golf Course Fund (518)								
Budget Adjustments								
Parks, Recreation and Neighborhood Services Department								
Ending Fund Balance	-	-	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
Rancho del Pueblo Golf Course	-	-	\$50,000	-	\$50,000	-	-	\$50,000
Budget Adjustments Total	\$0	\$0	\$50,000	(\$50,000)	\$0	\$0	\$0	\$0
Municipal Golf Course Fund (518) TOTAL	\$0	\$0	\$50,000	(\$50,000)	\$0	\$0	\$0	\$0
Public Works Program Support Fund (150)								
Budget Adjustments								
Public Works Department								
Compensated Time Off	-	-	\$240,000	-	\$240,000	-	-	\$240,000
Ending Fund Balance Adjustment	-	-	-	(\$240,000)	(\$240,000)	-	-	(\$240,000)
Budget Adjustments Total	\$0	\$0	\$240,000	(\$240,000)	\$0	\$0	\$0	\$0
Public Works Program Support Fund (150) TOTAL	\$0	\$0	\$240,000	(\$240,000)	\$0	\$0	\$0	\$0
San José Clean Energy Operating Fund (501)								
Budget Adjustments								
Community Energy Department								
Debt Service/Financing Proceeds	-	-	\$13,000	-	\$13,000	\$13,000	-	-
Budget Adjustments Total	\$0	\$0	\$13,000	\$0	\$13,000	\$13,000	\$0	\$0
San José Clean Energy Operating Fund (501) TOTAL	\$0	\$0	\$13,000	\$0	\$13,000	\$13,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
San José Municipal Stadium Capital Fund (476)									
Budget Adjustments									
City Manager - Office of Economic Development	Capital Enhancements/Revenue from the Use of Money/Property	-	-	\$8,531	-	\$8,531	\$8,531	-	-
	Budget Adjustments Total	\$0	\$0	\$8,531	\$0	\$8,531	\$8,531	\$0	\$0
	San José Municipal Stadium Capital Fund (476) TOTAL	\$0	\$0	\$8,531	\$0	\$8,531	\$8,531	\$0	\$0
San José-Santa Clara Treatment Plant Operating Fund (513)									
Clean-Up and Rebudget Actions									
Environmental Services Department	Tech Adjust: Non-Personal/Equipment (Reallocation to Inventory for Treatment Plant Inventory Costs)	-	(\$200,000)	-	-	(\$200,000)	-	-	(\$200,000)
	Tech Adjust: Inventory (Reallocation from Non-Personal/Equipment for Treatment Plant Inventory Costs)	-	-	\$200,000	-	\$200,000	-	-	\$200,000
	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$1,300,000)	-	-	-	-	-	-	-	-
	Clean-Up and Rebudget Actions TOTAL	\$0	(\$200,000)	\$200,000	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
City Manager's Office	Personal Services (Office of Intergovernmental Relations Closure)	\$5,000	-	-	-	\$5,000	-	-	\$5,000
	Ending Fund Balance Adjustment	-	-	-	(\$5,000)	(\$5,000)	-	-	(\$5,000)
	Budget Adjustments Total	\$5,000	\$0	\$0	(\$5,000)	\$0	\$0	\$0	\$0
	San José-Santa Clara Treatment Plant Operating Fund (513) TOTAL	\$5,000	(\$200,000)	\$200,000	(\$5,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Sewer Service And Use Charge Fund (541)									
Clean-Up and Rebudget Actions									
Environmental									
Services Department	Tech Adjust: Non-Personal/Equipment (Reallocation to Collection Costs)	-	(\$10,000)	-	-	(\$10,000)	-	-	(\$10,000)
	Tech Adjust: Collection Costs (Reallocation from Non-Personal/Equipment)	-	-	\$10,000	-	\$10,000	-	-	\$10,000
	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$500)	-	-	-	-	-	-	-	-
	Clean-Up and Rebudget Actions TOTAL	\$0	(\$10,000)	\$10,000	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
City Attorney's Office	Personal Services (Overage)	\$25,000	-	-	-	\$25,000	-	-	\$25,000
	Personal Services (Office of Intergovernmental Relations Closure)	\$5,000	-	-	-	\$5,000	-	-	\$5,000
Environmental Services Department	Ending Fund Balance Adjustment	-	-	-	(\$39,000)	(\$39,000)	-	-	(\$39,000)
	Personal Services (Overage)	\$9,000	-	-	-	\$9,000	-	-	\$9,000
Planning, Building and Code Enforcement Department	Budget Adjustments Total	\$39,000	\$0	\$0	(\$39,000)	\$0	\$0	\$0	\$0
	Sewer Service And Use Charge Fund (541) TOTAL	\$39,000	(\$10,000)	\$10,000	(\$39,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Storm Sewer Operating Fund (446)									
Clean-Up and Rebudget Actions									
Environmental Services Department	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$7,000)	-	-	-	-	-	-	-	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
Environmental Services Department	Workers' Compensation Claims	-	-	\$10,000	-	\$10,000	-	-	\$10,000
	Ending Fund Balance Adjustment	-	-	-	(\$121,000)	(\$121,000)	-	-	(\$121,000)
Planning, Building and Code Enforcement Department	Personal Services (Overage)	\$10,000	-	-	-	\$10,000	-	-	\$10,000
Public Works Department	Personal Services (Overage)	\$76,000	-	-	-	\$76,000	-	-	\$76,000
	Non-Personal/Equipment (Storm Pump Repairs)	-	\$25,000	-	-	\$25,000	-	-	\$25,000
Budget Adjustments Total		\$86,000	\$25,000	\$10,000	(\$121,000)	\$0	\$0	\$0	\$0
Storm Sewer Operating Fund (446) TOTAL		\$86,000	\$25,000	\$10,000	(\$121,000)	\$0	\$0	\$0	\$0
Supplemental Law Enforcement Services Fund (414)									
Clean-Up and Rebudget Actions									
Police Department	Tech Adjust: SLES Grant 2015- 2017/Revenue from the Use of Money/Property (Interest Earnings)	-	-	\$4,940	-	\$4,940	\$4,940	-	-
Clean-Up and Rebudget Actions TOTAL		\$0	\$0	\$4,940	\$0	\$4,940	\$4,940	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Budget Adjustments									
Police Department									
	SLES Grant 2017-2019/Revenue from State of California	-	-	\$1,035,248	-	\$1,035,248	\$1,035,248	-	-
	Budget Adjustments Total	\$0	\$0	\$1,035,248	\$0	\$1,035,248	\$1,035,248	\$0	\$0
	Supplemental Law Enforcement Services Fund (414) TOTAL	\$0	\$0	\$1,040,188	\$0	\$1,040,188	\$1,040,188	\$0	\$0
Vehicle Maintenance And Operations Fund (552)									
Clean-Up and Rebudget Actions									
Public Works Department	Transfer to the General Fund/Revenue from the Use of Money/Property	-	-	\$12,000	-	\$12,000	\$12,000	-	-
	Tech Adjust: Salary and Benefits to Overtime Reallocation (\$300,000)	-	-	-	-	-	-	-	-
	Clean-Up and Rebudget Actions TOTAL	\$0	\$0	\$12,000	\$0	\$12,000	\$12,000	\$0	\$0
	Vehicle Maintenance And Operations Fund (552) TOTAL	\$0	\$0	\$12,000	\$0	\$12,000	\$12,000	\$0	\$0
Water Utility Fund (515)									
Budget Adjustments									
City Attorney's Office	Personal Services (Overage)	\$80,000	-	-	-	\$80,000	-	-	\$80,000
Environmental Services Department	Ending Fund Balance Adjustment	-	-	-	(\$80,000)	(\$80,000)	-	-	(\$80,000)
	Budget Adjustments Total	\$80,000	\$0	\$0	(\$80,000)	\$0	\$0	\$0	\$0
	Water Utility Fund (515) TOTAL	\$80,000	\$0	\$0	(\$80,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year-End Budget Review

Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Workforce Development Fund (290)								
Clean-Up and Rebudget Actions								
City Manager -								
Office of Economic								
Development								
Fund Balance Reconciliation	-	-	-	(\$565,502)	(\$565,502)	-	(\$496,620)	(\$68,882)
Fund Balance Reconciliation -								
work2future Board Mandated								
Reserve	-	-	-	-	-	-	(\$68,882)	\$68,882
Clean-Up and Rebudget Actions								
TOTAL	\$0	\$0	\$0	(\$565,502)	(\$565,502)	\$0	(\$565,502)	\$0
Workforce Development Fund								
(290) TOTAL	\$0	\$0	\$0	(\$565,502)	(\$565,502)	\$0	(\$565,502)	\$0

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Capital Improvement Fund (520)			
Revenue from Federal Government (Runway Pavement Rehabilitation)	Airport		\$110,000
This action increases the Revenue from the Federal Government by \$110,000 to recognize grant funding for the Runway Pavement Rehabilitation project.			
Revenue from Federal Government (Taxiway A/B Part 139 Separation)	Airport		\$25,000
This action increases the Revenue from the Federal Government by \$25,000 to recognize grant funding for the Taxiway A/B Part 139 Separation project.			
Runway Pavement Rehabilitation	Airport	\$110,000	
This action reestablishes the Runway Pavement Rehabilitation project in the amount of \$110,000. This allocation facilitates the transfer of grant eligible expenses from the Airport Revenue Bond Improvement Fund. The Airport identified several expenses that were determined to be grant eligible and received notification that the expenses would be reimbursed. A corresponding increase to Revenue from Federal Government is recommended elsewhere in this memorandum.			
Taxiway A/B Part 139 Separation	Airport	\$25,000	
This action reestablishes the Taxiway A/B Part 139 Separation project in the amount of \$25,000. This allocation facilitates the transfer of grant eligible expenses from the Airport Revenue Bond Improvement Fund. The Airport identified several expenses that were determined to be grant eligible and received notification that the expenses would be reimbursed. A corresponding increase to Revenue from Federal Government is recommended elsewhere in this memorandum.			
Airport Capital Improvement Fund (520) TOTAL		\$135,000	\$135,000
Airport Renewal and Replacement Fund (527)			
Ending Fund Balance Adjustment	Airport	\$629,000	
This action increases the Ending Fund Balance by \$629,000 to offset the action recommended in this memorandum.			
Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)	Airport		\$629,000
This action increases the estimate for Transfers and Reimbursements by establishing a Transfer from the Airport Revenue Bond Improvement Fund in the amount of \$629,000. Various projects that were funded in the Airport Revenue Bond Improvement Fund from commercial paper have been completed and project savings have fallen to the Ending Fund Balance. These savings are recommended to be transferred to the Airport Renewal and Replacement Fund so that they may be available for future capital project needs. A corresponding adjustment in the Airport Revenue Bond Improvement Fund is recommended elsewhere in this memorandum.			
Airport Renewal and Replacement Fund (527) TOTAL		\$629,000	\$629,000
Airport Revenue Bond Improvement Fund (526)			
Ending Fund Balance Adjustment	Airport	\$(5,721,927)	
This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this memorandum.			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Revenue Bond Improvement Fund (526)			
Perimeter Fence Line Upgrades	Airport	\$19,000	
<p>This action reestablishes the Perimeter Fence Line Upgrades project in the amount of \$19,000, allocating prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund that have fallen to the Ending Fund Balance. All unspent bond proceeds remaining from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. The Perimeter Fence Line Upgrades project is bond-eligible and these additional project funds will be committed prior to the deadline. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Perimeter Security Technology Infrastructure	Airport	\$1,403,000	
<p>This action increases the Perimeter Security Technology Infrastructure project in the amount of \$1,403,000 (from \$50,000 to \$1,453,000). This allocation reflects prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund that have fallen to the Ending Fund Balance. All unspent bond proceeds remaining from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. The Perimeter Security Technology Infrastructure project is bond-eligible and these additional project funds will be committed prior to the deadline. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Southeast Ramp Reconstruction	Airport	\$208,071	
<p>This action increases the Southeast Ramp Reconstruction project in the amount of \$208,071 (from \$58,000 to \$266,071). This allocation reflects prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund that have fallen to the Ending Fund Balance. All unspent bond proceeds remaining from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. The Southeast Ramp Reconstruction project is bond-eligible and these additional project funds will be committed prior to the deadline. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Terminal Area Improvement, Phase I	Airport	\$668,856	
<p>This action increases the Terminal Area Improvement, Phase I project in the amount of \$668,856 (from \$120,000 to \$788,856). This allocation reflects prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund that have fallen to the Ending Fund Balance. All unspent bond proceeds remaining from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. The Terminal Area Improvement, Phase I project is bond-eligible and these additional project funds will be committed prior to the deadline. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Terminal B Gates 29 & 30	Airport	\$2,794,000	
<p>This action increases the Terminal B Gates 29 & 30 project in the amount of \$2,794,000 (from \$711,000 to \$3,505,000). This allocation reflects prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund that have fallen to the Ending Fund Balance. All unspent bond proceeds remaining from the Terminal Area Improvement Program must be used to fund eligible capital projects prior to June 30, 2018. The Terminal B Gates 29 & 30 project is bond-eligible and these additional project funds will be committed prior to the deadline. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Revenue Bond Improvement Fund (526)			
Transfer to Airport Renewal and Replacement Fund	Airport	\$629,000	
<p>This action establishes a Transfer to the Airport Renewal and Replacement Fund in the amount of \$629,000. Various projects that were previously funded in the Airport Revenue Bond Improvement Fund from commercial paper have been completed and project savings have fallen to the Ending Fund Balance. These savings are recommended to be transferred to the Airport Renewal and Replacement Fund so that they may be available for future capital project needs. A corresponding adjustment in the Airport Renewal and Replacement Fund is recommended elsewhere in this memorandum.</p>			
Airport Revenue Bond Improvement Fund (526) TOTAL			
Building and Structure Construction Tax Fund (429)			
Building and Structure Construction Tax	Planning, Building and Code Enforcement		\$3,000,000
<p>This action increases estimated revenue from the Building and Structure Construction Tax by \$3,000,000 (from \$18,000,000 to \$21,000,000) to recognize revenue anticipated in 2017-2018 above budgeted estimates. Revenues are projected to exceed budget levels due to higher than anticipated development activity in both residential and non-residential areas. A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this memorandum. After year-end close, a final reconciliation will be conducted to determine if any proceeds should be credited to the North San José New Development Reserve and Route 101/Oakland/Mabury New Development Reserve in 2018-2019, consistent with City Council direction and the respective transportation funding strategies for the areas.</p>			
Chynoweth Sidewalk Project	Transportation	\$75,000	
<p>This action establishes the Chynoweth Sidewalk Project appropriation in the amount of \$75,000, from savings reallocated from the Park Avenue Multimodal Improvements project, to provide for a continuous sidewalk on the west side of the intersection of Chynoweth Avenue and Snell Avenue. This pedestrian safety improvement project was identified during delivery of the Chynoweth Avenue Green Street Project, but excluded from that initial project scope pending identification of funding to complete the sidewalk in-house. A corresponding action to decrease the Park Avenue Multimodal Improvements appropriation is recommended elsewhere in this memorandum.</p>			
Downing Avenue Pedestrian and Bicycle Improvements	Transportation	\$(200,000)	
<p>This action decreases the Downing Avenue Pedestrian and Bicycle Improvements appropriation by \$200,000 (from \$252,000 to \$52,000) to reallocate project savings to the East Santa Clara Street Bridge at Coyote Creek appropriation. Savings resulted from the use of fewer materials than estimated. A corresponding increase to the East Santa Clara Street Bridge at Coyote Creek appropriation is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
East Santa Clara Street Bridge at Coyote Creek	Transportation	\$500,000	
<p>This action increases the East Santa Clara Bridge at Coyote Creek appropriation by \$500,000 (from \$1,306,000 to \$1,806,000) to support project scoping, environmental documentation, design and engineering services. Consulting costs exceeded the Engineer's estimate, requiring additional funding for in-house staff support. Funds are recommended to be reallocated from other project savings, including from the Park Avenue Multimodal Improvements project (\$225,000) and Downing Avenue Pedestrian and Bicycle Improvements (\$200,000) project, and from Ending Fund Balance (\$75,000). These recommended actions are described in more detail elsewhere in this memorandum.</p>			
Ending Fund Balance Adjustment	Finance	\$2,888,000	
<p>This action increases Ending Fund Balance to offset the actions recommended elsewhere in this memorandum.</p>			
ITS: Operations and Management	Transportation	\$123,485	
<p>This action increases the ITS: Operations and Management appropriation by \$123,485 (from \$950,000 to \$1,073,485) to allocate receipts from a settlement agreement, stemming from damage to a fiber optic cable on Great Oaks Boulevard. Funds will support the staffing costs incurred by the City to repair the damage. A corresponding increase to estimated Other Revenue is recommended elsewhere in this memorandum to recognize the settlement receipts.</p>			
Noble Bridge at Penitencia Creek	Transportation	\$(450,000)	
<p>This action eliminates the Noble Bridge at Penitencia Creek appropriation of \$450,000 to reflect the reprogramming of the project to a future date pending completion of improvements in the project area by the Santa Clara Valley Water District. Delaying this project avoids redesign and potential cost escalation, and does not impact eligibility for grant funding. A corresponding action to reduce grant funds for the Noble Bridge at Penitencia Creek project is recommended elsewhere in this memorandum. The project will be reprogrammed in the Traffic Capital Improvement Program when the timeline for completion of the improvements by the Santa Clara Valley Water District is more certain.</p>			
Other Revenue (Miscellaneous Revenue)	Transportation		\$123,485
<p>This action recognizes \$123,485 of Other Revenue from a settlement agreement associated with damage to a fiber optic cable on Great Oaks Boulevard. Funds will support the staffing costs incurred by the City to repair the damage. A corresponding increase to the ITS: Operations and Management appropriation is recommended elsewhere in this memorandum.</p>			
Park Avenue Multimodal Improvements	Transportation	\$(375,000)	
<p>This action decreases the Park Avenue Multimodal Improvements appropriation by \$375,000 (from \$757,000 to \$382,000) to reallocate project savings to multiple projects. The project was completed ahead of schedule, incurring less labor costs than originally estimated. Corresponding actions to establish the Chynoweth Sidewalk Project (\$75,000) appropriation, increase The Alameda "Beautiful Way" Phase 2 (OBAG) appropriation (\$75,000), and increase the East Santa Clara Bridge at Coyote Creek appropriation (\$225,000) are recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Building and Structure Construction Tax Fund (429)			
Revenue from Federal Government (Noble Bridge at Penitencia Creek)	Transportation		\$(450,000)
<p>This action decreases estimated Revenue from the Federal Government by \$450,000 for the Noble Bridge at Penitencia Creek project, to reflect the reprogramming of the project to a future date pending completion of improvements in the project area by the Santa Clara Valley Water District. Delaying this project avoids redesign and potential cost escalation, and does not impact eligibility for grant funding. A corresponding action to reduce Noble Bridge at Penitencia Creek project is recommended elsewhere in this report. The project will be reprogrammed in the Traffic Capital Improvement Program when the timeline for completion of the improvements by the Santa Clara Valley Water District is more certain.</p>			
The Alameda "Beautiful Way" Phase 2 (OBAG)	Transportation	\$75,000	
<p>This action increases the Alameda "Beautiful Way" Phase 2 (OBAG) appropriation by \$75,000 (from \$1,286,000 to \$1,361,000) to reallocate savings from the Park Avenue Multimodal Improvements project to support higher engineering costs than anticipated. A corresponding action to decrease the Park Avenue Multimodal Improvements appropriation is recommended elsewhere in this memorandum.</p>			
Transportation Forecasting and Analysis	Transportation	\$37,000	
<p>This action increases the Transportation Data, Forecasting and Analysis appropriation by \$37,000 (from \$630,000 to \$667,000) to support consulting services. Current agreements are expiring in 2018, with no additional renewal options, and a Request for Proposal process is currently underway. A corresponding action to decrease Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Building and Structure Construction Tax Fund (429) TOTAL		\$2,673,485	\$2,673,485
Construction Excise Tax Fund (465)			
Automated Transit Network	Transportation	\$(40,000)	
<p>This action eliminates the Automated Transit Network appropriation of \$40,000 to reallocate savings to the Bike/Pedestrian Development appropriation. The Automated Transit Network project supported consultant costs to develop a conceptual design for a next-generation automated transit network to connect the Mineta San José International Airport to Diridon Station and a remote parking garage between the two facilities, and to establish the business case for the network. However, the annual membership with Urban Systems Laboratories, a non-profit seeking to create a national Automated Transit Network demonstration program, is no longer required due to an inability to secure sufficient funding. The Valley Transportation Authority (VTA) has assumed the lead in determining what transportation service should connect the transportation hubs. A corresponding action to increase the Bike/Pedestrian Development appropriation is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
BART Design and Construction Support	Transportation	\$200,000	
<p>This action increases the BART Design and Construction Support appropriation by \$200,000 (from \$272,000 to \$472,000) due to the need for additional staff support to the Santa Clara Valley Transportation Authority (VTA). An amendment to the Master Cooperative Agreement with VTA is anticipated in August 2018 to extend the term and increase reimbursable costs for final inspection and close out services provided by the City. A corresponding decrease to Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
BART Program Management	Transportation	\$80,000	
<p>This action increases the BART Program Management appropriation by \$80,000 (from \$171,000 to \$251,000) due to the need for additional staff support to the Santa Clara Valley Transportation Authority (VTA) during ongoing construction. An amendment to the Master Cooperative Agreement with VTA is anticipated in August 2018 to extend the term and increase reimbursable costs for final inspection and close out services provided by the City. A corresponding decrease to Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Bike/Pedestrian Development	Transportation	\$40,000	
<p>This action increases the Bike/Pedestrian Project Development appropriation by \$40,000 (from \$557,000 to \$597,000), from savings reallocated from the Automated Transit Network appropriation, to support consultant services to update the City's existing city-wide Bicycle Master Plan (Bike Plan 2020). Consulting services will include planning and community outreach to develop the new Bike Plan 2025. A corresponding action to reduce the Automated Transit Network appropriation is recommended elsewhere in this memorandum.</p>			
Bridge Maintenance and Repair	Transportation	\$65,000	
<p>This action increases the Bridge Maintenance and Repair appropriation by \$65,000 (from \$250,000 to \$315,000) to allocate Developer Contributions received for the installation of a buried grade stabilization structure under the Misery Creek bridge. A corresponding action to increase estimated revenue from Developer Contributions is recommended elsewhere in this memorandum.</p>			
Construction Excise Tax	Planning, Building and Code Enforcement		\$5,000,000
<p>This action increases estimated revenue from the Construction Excise Tax by \$5.0 million (from \$24.0 million to \$29.0 million) to recognize revenue anticipated in 2017-2018 above budgeted estimates. A corresponding increase to Pavement Maintenance - City is recommended, consistent with City Council direction to appropriate revenue received above budgeted levels for pavement maintenance.</p>			
Corridor Congestion Relief Analysis	Transportation	\$(75,000)	
<p>This action eliminates the Corridor Congestion Relief Analysis appropriation of \$75,000 to reallocate funds to the Transportation Forecasting and Analysis appropriation to include the effort in the revised scope for the Mobility Plan Tools project. The Mobility Plan Tools effort will use emerging technology to create a multi-modal travel demand model to inform transportation planning. A corresponding action to increase the Transportation Forecasting and Analysis appropriation is recommended elsewhere in this memorandum.</p>			

Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Developer Contributions (Miscellaneous Revenue - Misery Creek)	Transportation		\$65,000
This action recognizes Developer Contributions revenue of \$65,000 to allocate receipts to date for the Misery Creek repair and maintenance project. A corresponding increase to the Bridge Maintenance and Repair appropriation is recommended elsewhere in this memorandum.			
Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees)	Public Works		\$259,000
This action increases estimated Developer Contributions revenue from Utility Company Reimbursement - Fiber Optic Permit Fees by \$259,000 (from \$200,000 to \$459,000) to support the higher than anticipated volume of permits to be issued, with 800 permit applications currently in backlog. Utility Company Reimbursement - Fiber Optic Permit Fees are collected according to the work performed. A corresponding action to increase the Fiber Optics Permit Engineering appropriation in the same amount is recommended elsewhere in this memorandum.			
Developer Refunds	Planning, Building and Code Enforcement	\$(500,000)	
This action decreases the Developer Refunds appropriation by \$500,000 (from \$1,000,000 to \$500,000) based on fewer expected refunds of Construction Excise Tax in 2017-2018. Eligibility and timing of refund payments will be monitored closely with subsequent adjustments brought forward in 2018-2019, as necessary. A corresponding increase to Ending Fund Balance is recommended elsewhere in this memorandum.			
Ending Fund Balance Adjustment	Transportation	\$383,000	
This action increases the Ending Fund Balance to offset the actions recommended in this memorandum.			
Evergreen Traffic Impact Fees Reserve	Transportation	\$114,600	
This action increases the Evergreen Traffic Impact Fee Reserve by \$114,600 (from \$4.0 million to \$4.1 million) to allocate traffic impact fees collected from developers during 2017-2018. Use of these funds is restricted to traffic improvements within the Evergreen area. A corresponding action to increase Fees, Rates and Charges revenue is recommended elsewhere in this memorandum.			
Fees, Rates and Charges (Evergreen Traffic Impact Fee)	Transportation		\$114,600
This action recognizes Fees, Rates, and Charges revenue in the amount of \$114,600 to reflect actual Evergreen Traffic Impact Fees collected from developers during 2017-2018. Use of these funds is restricted to traffic improvements within the Evergreen area, and is therefore appropriated to the Evergreen Traffic Impact Fee Reserve elsewhere in this memorandum.			
Fees, Rates and Charges (Route 101/Oakland/Mabury Traffic Impact Fee)	Transportation		\$6,096,980
This action recognizes Fees, Rates, and Charges revenue in the amount of \$6,096,980 to reflect actual Route 101/Oakland/Mabury Traffic Impact Fees collected from developers during 2017-2018. Use of these funds is restricted to traffic improvements within the Route 101/Oakland/Mabury area, and is therefore appropriated to the Route 101/Oakland/Mabury Traffic Impact Fee Reserve elsewhere in this memorandum.			

**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)			
Fiber Optics Permit Engineering	Transportation	\$225,000	
<p>This action increases the Fiber Optics Permit Engineering appropriation by \$225,000 (from \$234,000 to \$459,000) to support the higher than anticipated volume of permits to be issued, with 800 permit applications currently in backlog. Inter-Agency Encroachment Permit fees are collected according to the work performed. A corresponding action to increase estimated Revenue from Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees) is recommended elsewhere in this memorandum.</p>			
Inter-Agency Encroachment Permit	Transportation	\$200,000	
<p>This action increases the Inter-Agency Encroachment Permit appropriation by \$200,000 (from \$354,000 to \$554,000) to support permitted projects that are currently underway, including the close out of the Bus Rapid Transit project. Inter-Agency Encroachment Permit fees are collected in accordance with work performed. A corresponding action to increase estimated revenue from Licenses and Permits (Inter-Agency Encroachment Permit) is recommended elsewhere in this memorandum.</p>			
Licenses and Permits (Inter-Agency Encroachment Permit - BRT)	Public Works		\$204,000
<p>This action increases estimated Licenses and Permits revenue from Inter-Agency Encroachment Permit Fees by \$204,000 (from \$350,000 to \$554,000) to support permitted projects that are currently underway, including the close out of the Bus Rapid Transit project. Inter-Agency Encroachment Permit fees are collected in accordance with work performed. A corresponding action to increase the Inter-Agency Encroachment Permit appropriation is recommended elsewhere in this memorandum.</p>			
Pavement Maintenance - City	Transportation	\$5,000,000	
<p>This action increases the Pavement Maintenance - City appropriation by \$5,000,000 to allocate Construction Excise Tax revenue proceeds that are projected to exceed the original budget estimate for 2017-2018, consistent with City Council direction. A corresponding action to increase estimated Construction Excise Tax revenues are recommended elsewhere in this memorandum.</p>			
Pavement Maintenance - City (CalRecycle)	Transportation	\$250,000	
<p>This action increases the Pavement Maintenance - City appropriation by \$250,000 to allocate revenue received for participation in the CalRecycle program. CalRecycle works with state and local government agencies to achieve waste, diversion, recycling, and purchasing goals. Grant funding is provided for the recycling of tires through the use of rubberized asphalt, in lieu of landfill disposal. A corresponding increase to estimated Revenue from State Government is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Pavement Maintenance - City (Reallocation to Pavement Maintenance - Complete Street Project Development)	Transportation	\$(1,260,000)	
<p>This action reallocates \$1,260,000 from the Pavement Maintenance - City appropriation to establish the Pavement Maintenance - Complete Street Project Development appropriation. Establishment of this new ongoing project is intended to distinguish staffing costs incurred to date for the design and implementation of complete street concepts into street design projects, as required by 2016 VTA Measure B, and for the restoration of damaged and failed loops along planned pavement corridors. A corresponding action to establish the Pavement Maintenance - Complete Street Project Development appropriation is recommended elsewhere in this memorandum.</p>			
Pavement Maintenance - Complete Street Project Development	Transportation	\$1,260,000	
<p>This action establishes the Pavement Maintenance - Complete Street Project Development appropriation to distinguish staffing costs incurred to date for the design and implementation of complete street concepts into street design projects, as required by 2016 VTA Measure B, and for the restoration of damaged and failed loops along planned pavement corridors, from the larger Pavement Maintenance - City project budget. A corresponding action to reallocate funds from the Pavement Maintenance - City appropriation is recommended elsewhere in this memorandum.</p>			
Revenue from the State of California (Miscellaneous Revenue - Cal State Recycle)	Transportation		\$250,000
<p>This action increases estimated Revenue from State of California by \$250,000 (from \$14,182,228 to \$14,432,228) to allocate revenue received for participation in the CalRecycle rubber recycling program. CalRecycle works with state and local government agencies to achieve waste, diversion, recycling, and purchasing goals. Grant funding is provided for the recycling of tires through the use of rubberized asphalt, in lieu of landfill disposal. A corresponding increase to the Pavement Maintenance - City appropriation is recommended elsewhere in this report.</p>			
Revenue from Use of Money and Property (Interest Earnings)	Public Works		\$200,000
<p>This action increases estimated revenue in the Construction Excise Tax Fund by \$200,000 (from \$547,000 to \$747,000) for interest earnings to align with year-to-date performance and revised year-end estimates for 2017-2018. A corresponding action to increase Ending Fund Balance is recommended elsewhere in this report.</p>			
Route 101/Oakland/Mabury Traffic Impact Fees Reserve	Transportation	\$6,096,980	
<p>This action increases the Route 101/Oakland/Mabury Traffic Impact Fee Reserve by \$6,096,980 (from \$8.8 million to \$14.9 million) to allocate traffic impact fees collected from developers during 2017-2018. Use of these funds is restricted to traffic improvements within the Route 101/Oakland/Mabury area. A corresponding action to increase Fees, Rates and Charges revenue is recommended elsewhere in this memorandum.</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)			
Transportation Forecasting and Analysis	Transportation	\$75,000	
<p>This action increases the Transportation Forecasting and Analysis appropriation by \$75,000 (from \$370,000 to \$445,000) to support data collection for the Mobility Plan Tools effort managed by the Department of Transportation's Planning group. The Mobility Plan Tools effort will use emerging technology to create a multi-modal travel demand model to inform transportation planning. A corresponding action to reallocate funds from the Corridor Congestion Relief Analysis appropriation is recommended elsewhere in this memorandum.</p>			
Transportation Innovation Program	Transportation	\$188,000	
<p>This action establishes the Transportation Innovation Program appropriation to provide funding to manage, plan, coordinate, and execute all innovation programs within City-wide information technology protocols and standards, including \$75,000 for a grant agreement with Prospect Silicon Valley to pilot autonomous vehicle technologies and explore their integration into the multi-modal transportation network. Corresponding actions to reallocate funding (\$113,000) from the Transportation System Technology budget and to decrease the Ending Fund Balance are recommended elsewhere in this memorandum.</p>			
Transportation System Technology	Transportation	\$(113,000)	
<p>This action decreases the Transportation System Technology appropriation by \$113,000 (from \$321,000 to \$208,000) to reallocate funds to establish the Transportation Innovation Program appropriation to support staff costs for the management, planning, coordination, and execution of all innovation programs within City-wide information technology protocols and standards. A corresponding action to establish the Transportation Innovation Program appropriation is recommended elsewhere in this memorandum.</p>			
Construction Excise Tax Fund (465) TOTAL		\$12,189,580	\$12,189,580
Convention and Cultural Affairs Capital Fund (560)			
Center for Performing Arts Elevator Rehabilitation	Public Works	\$(12,000)	
<p>This action decreases the Center for Performing Arts Elevator Rehabilitation appropriation to reallocate \$12,000 in anticipated savings to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation for urgent projects arising during 2017-2018 to repair electrical, mechanical, and plumbing systems, and for asbestos remediation not previously addressed by prior projects. A corresponding increase to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation is recommended elsewhere in this memorandum.</p>			
Civic Auditorium Windows Replacement	Public Works	\$(80,000)	
<p>This action decreases the Civic Auditorium Windows Replacement appropriation to reallocate \$80,000 in anticipated savings to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation for urgent projects arising during 2017-2018 to repair electrical, mechanical, and plumbing systems, and for asbestos remediation not previously addressed by prior projects. A corresponding increase to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention and Cultural Affairs Capital Fund (560)			
Convention Center Concourse Column Covers	Public Works	\$(35,000)	
<p>This action decreases the Convention Center Concourse Column Covers appropriation to reallocate \$35,000 in anticipated savings to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation for urgent projects arising during 2017-2018 to repair electrical, mechanical, and plumbing systems, and for asbestos remediation not previously addressed by prior projects. A corresponding increase to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation is recommended elsewhere in this memorandum.</p>			
Cultural Facilities Rehabilitation / Repair - Structures	Office of Economic Development	\$(70,000)	
<p>This action decreases the Cultural Facilities Rehabilitation / Repair - Structures appropriation for 2017-2018 to reallocate \$70,000 in anticipated savings to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation for urgent projects arising during 2017-2018 to repair electrical, mechanical, and plumbing systems, and for asbestos remediation not previously addressed by prior projects. A corresponding increase to the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation is recommended elsewhere in this memorandum.</p>			
Cultural Facilities Rehabilitation / Repair - Unanticipated	Office of Economic Development	\$197,000	
<p>This action increases the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation by \$197,000 (from \$100,000 to \$297,000) to support urgent projects arising during 2017-2018 to repair electrical, mechanical, and plumbing systems, and for asbestos remediation not previously addressed by prior projects. Corresponding adjustments to reallocate anticipated savings from the Cultural Facilities Rehabilitation / Repair - Structures (\$70,000), Center for Performing Arts Elevator Rehabilitation (\$12,000), Convention Center Concourse Column Covers (\$35,000), and Civic Auditorium Windows Replacement (\$80,000) projects are recommended elsewhere in this memorandum to support the emergency and unanticipated projects for 2017-2018.</p>			
Convention and Cultural Affairs Capital Fund (560) TOTAL			
Convention Center Facilities District Capital Fund (798)			
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	Public Works	\$165,000	
<p>This action increases the Convention Center Exhibit Hall Lighting and Ceiling Upgrades appropriation by \$165,000 (from \$1,710,000 to \$1,875,000) for unanticipated costs incurred for fire watch and crowd control monitoring. A corresponding transfer from the Convention Center Facility District Revenue Fund and decrease to Ending Fund Balance within the Convention Center Facility District Revenue Fund are recommended elsewhere in this report.</p>			
Transfers and Reimbursements (Transfer from the Convention Center Facility District Revenue Fund)	Office of Economic Development		\$165,000
<p>This action increases revenue transferred from the Convention Center Facility District Revenue Fund to the Convention Center Facility District Capital Fund by \$165,000 (from \$4,095,000 to \$4,260,000) to fund unanticipated costs for the Convention Center Exhibit Hall Lighting and Ceiling Upgrades project and to close out the project. A corresponding transfer from the Convention Center Facility District Revenue Fund, ending fund balance offset, and increase to the Convention Center Exhibit Hall Lighting and Ceiling Upgrades project are recommended elsewhere in this report.</p>			
Convention Center Facilities District Capital Fund (798) TOTAL		\$165,000	\$165,000

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention Center Facilities District Capital Fund (798)			
Council District 5 Construction and Conveyance Tax Fund (382)			
Emma Prusch Back Acreage	Parks, Recreation and Neighborhood Services	\$(40,000)	
<p>This action decreases the Emma Prusch Back Acreage appropriation in the amount of \$40,000 (from \$44,000 to \$4,000) to fund the Emma Prusch Security Improvements project. The Emma Prusch Security Improvements project will provide funding for electrical and security upgrades at Emma Prusch Park. Due to the urgency of security improvements, as well needs that have been met at the back acreage of Emma Prusch Park, this funding is recommended to partially fund the Emma Prusch Security Improvements project. A corresponding action to establish the Emma Prusch Security Improvements appropriation is recommended in this memorandum.</p>			
Emma Prusch Park Security Improvements	Parks, Recreation and Neighborhood Services	\$40,000	
<p>This action establishes the Emma Prusch Security Improvements appropriation in the amount of \$40,000. This project provides funding for electrical and security upgrades at Emma Prusch Park. Project elements include design and review of plans; construction; installation of electrical wiring, fixtures, and security cameras; upgrading IT systems; and, improving fencing gates and locking hardware. A corresponding decrease to the Emma Prusch Back Acreage appropriation is recommended elsewhere in this memorandum.</p>			
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL			
General Purpose Parking Capital Fund (559)			
Capital Program and Public Works Department Support Service Costs	Public Works	\$48,000	
<p>This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$48,000 (from \$39,000 to \$87,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2017-2018. More projects were supported during 2017-2018 than originally anticipated, including the Downtown Dynamic Messaging Signs Replacement, Third Street Garage New Lighting Emergency Power System, Parking and Revenue Control System Fiber Network, and Second & San Carlos Street Garage projects. Corresponding actions to transfer funds and decrease the Ending Fund Balance within the General Purpose Parking Fund are recommended elsewhere in this memorandum.</p>			
Transfers and Reimbursements (Transfer from General Purpose Parking Fund)	Transportation		\$48,000
<p>This action increases the amount transferred from the General Purpose Parking Fund to the General Purpose Parking Capital Fund by \$48,000 (from \$39,000 to \$87,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2017-2018. A corresponding increase to the Capital Program and Public Works Department Support Service Costs appropriation is recommended elsewhere in this memorandum.</p>			
General Purpose Parking Capital Fund (559) TOTAL		\$48,000	\$48,000
Parks Central Construction and Conveyance Tax Fund (390)			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks Central Construction and Conveyance Tax Fund (390)			
Capital Program and Public Works Department Support Service Costs	Parks, Recreation and Neighborhood Services	\$260,000	
This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$260,000 (from \$678,000 to \$938,000) to account for higher than anticipated Public Works Department direct labor and professional service costs for project support during 2017-2018. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(360,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.			
Parks and Community Facilities Development Office	Parks, Recreation and Neighborhood Services	\$100,000	
This action increases the Parks and Community Facilities Development Office appropriation by \$100,000 (from \$3.0 million to \$3.1 million) to support increased staffing costs due to the increased number of parks related projects. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.			
Parks Central Construction and Conveyance Tax Fund (390) TOTAL			
Parks City-Wide Construction and Conveyance Tax Fund (391)			
2017 Flood - Debris Removal	Parks, Recreation and Neighborhood Services	\$115,000	
This action establishes the 2017 Flood - Debris Removal appropriation in the amount of \$115,000 to fund debris removal in the various City Parks including: Happy Hollow Park & Zoo Watson Park, Alum Rock Park, Penitencia Creek Park, and Martin Park. While much of the debris removal related to the 2017 Flood occurred shortly after the event, a portion of this work carried over into 2017-2018. The Parks, Recreation and Neighborhood Services Department expects to receive partial FEMA reimbursements related to this debris removal. The revenue reimbursement will be recognized and appropriated to the Parks City-Wide Construction and Conveyance Tax Fund after it is received.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(189,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum			
Happy Hollow Park and Zoo Alligator Exhibit	Parks, Recreation and Neighborhood Services	\$(144,000)	
This action decreases the Happy Hollow Park and Zoo Alligator Exhibit appropriation in the amount of \$144,000 (from \$219,000 to \$75,000). Savings from this completed project are recommended to partially fund the Happy Hollow Park and Zoo Security Improvements project. A corresponding action to establish the Happy Hollow Park and Zoo Security Improvements appropriation is recommended elsewhere in this memorandum.			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Parks City-Wide Construction and Conveyance Tax Fund (391)			
Happy Hollow Park and Zoo Security Improvements	Parks, Recreation and Neighborhood Services	\$630,000	
<p>This action establishes the Happy Hollow Park and Zoo Security Improvements appropriation in the amount of \$630,000. This project provides funding to upgrade existing cameras with high resolution and night vision. The analog DVR-associated hardware and cables will be replaced with a network video recorder. Included are seven wireless remote self-powered cameras which will send direct messages with a live feed when triggered by motion providing staff real-time information for a rapid response. Additional improvements include the installation of a security fence around the perimeter of the park with a dig proof barrier, in accordance with the Association of Zoos and Aquariums (AZA) accreditation guidelines, and other minor related improvements. Corresponding decreases to the Happy Hollow Park and Zoo Alligator, Exhibit Leininger Center Renovation, and Ending Fund Balance are recommended in this memorandum to offset this action.</p>			
Leininger Center Renovation	Parks, Recreation and Neighborhood Services	\$(412,000)	
<p>This action eliminates the Leininger Center Renovation appropriation in the amount of \$412,000 to partially fund the Happy Hollow Park and Zoo Security Improvements project. The Leininger Center Renovation project requires significant additional funding which is not available at this time. The project was put on hold until the additional funding required is identified. In addition the Happy Hollow Park and Zoo Security Improvements has an urgent need to be completed. A corresponding action to establish the Happy Hollow Park and Zoo Security Improvements appropriation is recommended in this memorandum.</p>			
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL			
Subdivision Park Trust Fund (375)			
Communications Hill Turnkey Park Design, Review and Inspection	Parks, Recreation and Neighborhood Services	\$96,000	
<p>This action increases the Communications Hill Turnkey Park Design Review and Inspection appropriation by \$96,000 (from \$110,000 to \$206,000). The higher costs are due to additional required review and inspection services, and other staffing costs related to design, and project closeout. It is anticipated that the developer will reimburse the majority of the costs per the agreement with the City. The additional revenue from the developer will be recognized once received. Corresponding decrease to the Future PDO/PIO Projects Reserve is recommended in this memorandum to offset this action.</p>			
Del Monte Park Expansion Phase II	Parks, Recreation and Neighborhood Services	\$100,000	
<p>This action increases the Del Monte Park Phase II appropriation in the amount of \$100,000 (from \$868,000 to \$968,000). Additional funding is necessary for higher than anticipated costs for review and inspection services. A corresponding decrease to the Del Monte Park Improvements appropriation is recommended elsewhere in this memorandum.</p>			
Del Monte Park Improvements	Parks, Recreation and Neighborhood Services	\$(100,000)	
<p>This action decreases the Del Monte Park Improvements appropriation in the amount of \$100,000 (from \$1.4 million to \$1.3 million) to fund an increase to the Del Monte Park Phase II appropriation for higher than anticipated costs for review and inspection services. A corresponding increase to the Del Monte Park Phase II appropriation is recommended elsewhere in this memorandum.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2017-2018 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
Future PDO/PIO Projects Reserve	Parks, Recreation and Neighborhood Services	\$(181,000)	
This action decreases the Future PDO/PIO Projects Reserve to partly offset the action recommended in this memorandum.			
North San Pedro Parks Design	Parks, Recreation and Neighborhood Services	\$85,000	
This action increases the North San Pedro Area Parks Master Plans appropriation by \$85,000 (from \$500,000 to \$585,000) for artistic consultant services to the landscape architect to incorporate artistic elements into the design of the park. A corresponding decrease to the Future PDO/PIO Projects Reserve is recommended elsewhere in this memorandum to offset this action.			
Subdivision Park Trust Fund (375) TOTAL		<hr/>	<hr/>

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<hr/>						
Airport Capital Improvement Fund (520)						
<hr/>						
Revenue from Federal Government (Runway Pavement Rehabilitation)				\$110,000		\$(110,000)
Revenue from Federal Government (Taxiway A/B Part 139 Separation)				\$25,000		\$(25,000)
Runway Pavement Rehabilitation	\$110,000		\$110,000			\$110,000
Taxiway A/B Part 139 Separation	\$25,000		\$25,000			\$25,000
	<hr/>			<hr/>		<hr/>
Budget Adjustments TOTAL	\$135,000		\$135,000	\$135,000		
<hr/>						
Airport Capital Improvement Fund (520) TOTAL	\$135,000		\$135,000	\$135,000		
<hr/>						
Airport Renewal and Replacement Fund (527)						
<hr/>						
Ending Fund Balance Adjustment		\$629,000	\$629,000			\$629,000
Transfers and Reimbursements (Transfer from Airport Revenue Bond Improvement Fund)				\$629,000		\$(629,000)
	<hr/>			<hr/>		<hr/>
Budget Adjustments TOTAL		\$629,000	\$629,000	\$629,000		
<hr/>						
Airport Renewal and Replacement Fund (527) TOTAL		\$629,000	\$629,000	\$629,000		
<hr/>						
Airport Revenue Bond Improvement Fund (526)						
<hr/>						
Tech Adjust: Beginning Fund Balance Adjustment (Recognition of Liquidated Encumbrances)					\$208,071	\$(208,071)
Tech Adjust: Ending Fund Balance Adjustment (Recognition of Liquidated Encumbrances)		\$208,071	\$208,071			\$208,071
	<hr/>			<hr/>		<hr/>
Clean-Up Actions TOTAL		\$208,071	\$208,071		\$208,071	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	
Airport Revenue Bond Improvement Fund (526)					
Ending Fund Balance Adjustment		\$(5,721,927)	\$(5,721,927)		\$(5,721,927)
Perimeter Fence Line Upgrades	\$19,000		\$19,000		\$19,000
Perimeter Security Technology Infrastructure	\$1,403,000		\$1,403,000		\$1,403,000
Southeast Ramp Reconstruction	\$208,071		\$208,071		\$208,071
Terminal Area Improvement, Phase I	\$668,856		\$668,856		\$668,856
Terminal B Gates 29 & 30	\$2,794,000		\$2,794,000		\$2,794,000
Transfer to Airport Renewal and Replacement Fund	\$629,000		\$629,000		\$629,000
Budget Adjustments TOTAL	\$5,721,927	\$(5,721,927)			
Airport Revenue Bond Improvement Fund (526)					
TOTAL	\$5,721,927	\$(5,513,856)	\$208,071		\$208,071

Building and Structure Construction Tax Fund (429)

Building and Structure Construction Tax				\$3,000,000		\$(3,000,000)
Chynoweth Sidewalk Project	\$75,000		\$75,000			\$75,000
Downing Avenue Pedestrian and Bicycle Improvements	\$(200,000)		\$(200,000)			\$(200,000)
East Santa Clara Street Bridge at Coyote Creek	\$500,000		\$500,000			\$500,000
Ending Fund Balance Adjustment		\$2,888,000	\$2,888,000			\$2,888,000
ITS: Operations and Management	\$123,485		\$123,485			\$123,485
Noble Bridge at Penitencia Creek	\$(450,000)		\$(450,000)			\$(450,000)
Other Revenue (Miscellaneous Revenue)				\$123,485		\$(123,485)
Park Avenue Multimodal Improvements	\$(375,000)		\$(375,000)			\$(375,000)
Revenue from Federal Government (Noble Bridge at Penitencia Creek)				\$(450,000)		\$450,000

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance
Building and Structure Construction Tax Fund (429)					
The Alameda "Beautiful Way" Phase 2 (OBAG)	\$75,000		\$75,000		\$75,000
Transportation Forecasting and Analysis	\$37,000		\$37,000		\$37,000
Budget Adjustments TOTAL	\$(214,515)	\$2,888,000	\$2,673,485	\$2,673,485	
Building and Structure Construction Tax Fund (429) TOTAL					
	\$(214,515)	\$2,888,000	\$2,673,485	\$2,673,485	
Communications Construction and Conveyance Tax Fund (397)					
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$37,000	\$(37,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$37,000		\$37,000		\$37,000
Clean-Up Actions TOTAL	\$37,000		\$37,000	\$37,000	
Communications Construction and Conveyance Tax Fund (397) TOTAL					
	\$37,000		\$37,000	\$37,000	
Construction Excise Tax Fund (465)					
Tech Adjust: Evergreen Traffic Impact Fees Reserve (Fund Balance Reconciliation)	\$44,706		\$44,706		\$44,706
Tech Adjust: Fund Balance Reconciliation (Evergreen Traffic Impact Fees)		\$(44,706)	\$(44,706)		\$(44,706)
Tech Adjust: Fund Balance Reconciliation (North San José Traffic Impact Fees Reserve)		\$(811,086)	\$(811,086)		\$(811,086)
Tech Adjust: Fund Balance Reconciliation (Pavement Maintenance - City)		\$3,789,162	\$3,789,162		\$3,789,162
Tech Adjust: Fund Balance Reconciliation (Pavement Maintenance - State Gas Tax)		\$(3,643,337)	\$(3,643,337)		\$(3,643,337)

**Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review**

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Tech Adjust: Fund Balance Reconciliation (Pavement Maintenance - VTA Measure B VRF)		\$(145,825)	\$(145,825)			\$(145,825)
Tech Adjust: Fund Balance Reconciliation (Route 101 / Oakland / Mabury Traffic Impact Fees Reserve)		\$(103,441)	\$(103,441)			\$(103,441)
Tech Adjust: North San José Traffic Impact Fees Reserve (Fund Balance Reconciliation)	\$811,086		\$811,086			\$811,086
Tech Adjust: Pavement Maintenance - City (Fund Balance Reconciliation)	\$(3,789,162)		\$(3,789,162)			\$(3,789,162)
Tech Adjust: Pavement Maintenance - State Gas Tax (Fund Balance Reconciliation)	\$3,643,337		\$3,643,337			\$3,643,337
Tech Adjust: Pavement Maintenance - VTA Measure B VRF	\$145,825		\$145,825			\$145,825
Tech Adjust: Route 101 / Oakland / Mabury Traffic Impact Fees Reserve (Fund Balance Reconciliation)	\$103,441		\$103,441			\$103,441
Clean-Up Actions TOTAL	\$959,233	\$(959,233)				
Automated Transit Network	\$(40,000)		\$(40,000)			\$(40,000)
BART Design and Construction Support	\$200,000		\$200,000			\$200,000
BART Program Management	\$80,000		\$80,000			\$80,000
Bike/Pedestrian Development	\$40,000		\$40,000			\$40,000
Bridge Maintenance and Repair	\$65,000		\$65,000			\$65,000
Construction Excise Tax				\$5,000,000		\$(5,000,000)
Corridor Congestion Relief Analysis	\$(75,000)		\$(75,000)			\$(75,000)
Developer Contributions (Miscellaneous Revenue - Misery Creek)				\$65,000		\$(65,000)
Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees)				\$259,000		\$(259,000)
Developer Refunds	\$(500,000)		\$(500,000)			\$(500,000)
Ending Fund Balance Adjustment		\$383,000	\$383,000			\$383,000
Evergreen Traffic Impact Fees Reserve	\$114,600		\$114,600			\$114,600

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Construction Excise Tax Fund (465)						
Fees, Rates and Charges (Evergreen Traffic Impact Fee)				\$114,600		\$(114,600)
Fees, Rates and Charges (Route 101/Oakland/Mabury Traffic Impact Fee)				\$6,096,980		\$(6,096,980)
Fiber Optics Permit Engineering	\$225,000		\$225,000			\$225,000
Inter-Agency Encroachment Permit	\$200,000		\$200,000			\$200,000
Licenses and Permits (Inter-Agency Encroachment Permit - BRT)				\$204,000		\$(204,000)
Pavement Maintenance - City	\$5,000,000		\$5,000,000			\$5,000,000
Pavement Maintenance - City (CalRecycle)	\$250,000		\$250,000			\$250,000
Pavement Maintenance - City (Reallocation to Pavement Maintenance - Complete Street Project Development)	\$(1,260,000)		\$(1,260,000)			\$(1,260,000)
Pavement Maintenance - Complete Street Project Development	\$1,260,000		\$1,260,000			\$1,260,000
Revenue from the State of California (Miscellaneous Revenue - Cal State Recycle)				\$250,000		\$(250,000)
Revenue from Use of Money and Property (Interest Earnings)				\$200,000		\$(200,000)
Route 101/Oakland/Mabury Traffic Impact Fees Reserve	\$6,096,980		\$6,096,980			\$6,096,980
Transportation Forecasting and Analysis	\$75,000		\$75,000			\$75,000
Transportation Innovation Program	\$188,000		\$188,000			\$188,000
Transportation System Technology	\$(113,000)		\$(113,000)			\$(113,000)
Budget Adjustments TOTAL	\$11,806,580	\$383,000	\$12,189,580	\$12,189,580		
Construction Excise Tax Fund (465) TOTAL	\$12,765,813	\$(576,233)	\$12,189,580	\$12,189,580		

**Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review**

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Contingent Lien District Fund (634)						
Tech Adjust: Evergreen Creek District Reserve (Fund Balance Reconciliation)	\$26,092		\$26,092			\$26,092
Tech Adjust: Evergreen Specific Plan District Reserve (Fund Balance Reconciliation)	\$34,809		\$34,809			\$34,809
Tech Adjust: Fund Balance Reconciliation (Correction)					\$(3,000)	\$3,000
Tech Adjust: Fund Balance Reconciliation (Correction)		\$(3,000)	\$(3,000)			\$(3,000)
Tech Adjust: Fund Balance Reconciliation (Reallocation to Reserves)		\$(69,372)	\$(69,372)			\$(69,372)
Tech Adjust: Silicon Valley Bridge District Reserve (Fund Balance Reconciliation)	\$3,137		\$3,137			\$3,137
Tech Adjust: Silver Creek Development District 1A Reserve (Fund Balance Reconciliation)	\$3,088		\$3,088			\$3,088
Tech Adjust: Silver Creek Development District 1B Reserve (Fund Balance Reconciliation)	\$2,246		\$2,246			\$2,246
Clean-Up Actions TOTAL	\$69,372	\$(72,372)	\$(3,000)		\$(3,000)	
Contingent Lien District Fund (634) TOTAL	\$69,372	\$(72,372)	\$(3,000)		\$(3,000)	

Convention and Cultural Affairs Capital Fund (560)

Center for Performing Arts Elevator Rehabilitation	\$(12,000)		\$(12,000)			\$(12,000)
Civic Auditorium Windows Replacement	\$(80,000)		\$(80,000)			\$(80,000)
Convention Center Concourse Column Covers	\$(35,000)		\$(35,000)			\$(35,000)
Cultural Facilities Rehabilitation / Repair - Structures	\$(70,000)		\$(70,000)			\$(70,000)
Cultural Facilities Rehabilitation / Repair - Unanticipated	\$197,000		\$197,000			\$197,000
Budget Adjustments TOTAL						
Convention and Cultural Affairs Capital Fund (560)						

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Convention Center Facilities District Capital Fund (798)						
Convention Center Exhibit Hall Lighting and Ceiling Upgrades	\$165,000		\$165,000			\$165,000
Transfers and Reimbursements (Transfer from the Convention Center Facility District Revenue Fund)				\$165,000		\$(165,000)
Budget Adjustments TOTAL	\$165,000		\$165,000	\$165,000		
Convention Center Facilities District Capital Fund (798) TOTAL						
	\$165,000		\$165,000	\$165,000		
Council District 5 Construction and Conveyance Tax Fund (382)						
Emma Prusch Back Acreage	\$(40,000)		\$(40,000)			\$(40,000)
Emma Prusch Park Security Improvements	\$40,000		\$40,000			\$40,000
Budget Adjustments TOTAL						
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL						
Fire Construction and Conveyance Tax Fund (392)						
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$55,000		\$(55,000)

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Fire Construction and Conveyance Tax Fund (392)						
Tech Adjust: Transfer to the General Fund (Interest Income)	\$55,000		\$55,000			\$55,000
Clean-Up Actions TOTAL	\$55,000		\$55,000	\$55,000		
Fire Construction and Conveyance Tax Fund (392) TOTAL						
	\$55,000		\$55,000	\$55,000		
General Purpose Parking Capital Fund (559)						
Capital Program and Public Works Department Support Service Costs	\$48,000		\$48,000			\$48,000
Transfers and Reimbursements (Transfer from General Purpose Parking Fund)				\$48,000		\$(48,000)
Budget Adjustments TOTAL	\$48,000		\$48,000	\$48,000		
General Purpose Parking Capital Fund (559) TOTAL						
	\$48,000		\$48,000	\$48,000		
Library Construction and Conveyance Tax Fund (393)						
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$40,000		\$(40,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$40,000		\$40,000			\$40,000
Clean-Up Actions TOTAL	\$40,000		\$40,000	\$40,000		
Library Construction and Conveyance Tax Fund (393) TOTAL						
	\$40,000		\$40,000	\$40,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
Park Yards Construction and Conveyance Tax Fund (398)						
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$18,000		\$(18,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$18,000		\$18,000			\$18,000
Clean-Up Actions TOTAL	\$18,000		\$18,000	\$18,000		
Park Yards Construction and Conveyance Tax Fund (398) TOTAL	\$18,000		\$18,000	\$18,000		
Parks Central Construction and Conveyance Tax Fund (390)						
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$143,000		\$(143,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$143,000		\$143,000			\$143,000
Clean-Up Actions TOTAL	\$143,000		\$143,000	\$143,000		
Capital Program and Public Works Department Support Service Costs	\$260,000		\$260,000			\$260,000
Ending Fund Balance Adjustment		\$(360,000)	\$(360,000)			\$(360,000)
Parks and Community Facilities Development Office	\$100,000		\$100,000			\$100,000
Budget Adjustments TOTAL	\$360,000	\$(360,000)				
Parks Central Construction and Conveyance Tax Fund (390) TOTAL	\$503,000	\$(360,000)	\$143,000	\$143,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance
Parks City-Wide Construction and Conveyance Tax Fund (391)					
2017 Flood - Debris Removal	\$115,000		\$115,000		\$115,000
Ending Fund Balance Adjustment		\$(189,000)	\$(189,000)		\$(189,000)
Happy Hollow Park and Zoo Alligator Exhibit	\$(144,000)		\$(144,000)		\$(144,000)
Happy Hollow Park and Zoo Security Improvements	\$630,000		\$630,000		\$630,000
Leininger Center Renovation	\$(412,000)		\$(412,000)		\$(412,000)
Budget Adjustments TOTAL	\$189,000	\$(189,000)			
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL					
	\$189,000	\$(189,000)			
Residential Construction Tax Contribution Fund (420)					
Ending Fund Balance					
Tech Adjust: Revenue from Use of Money and Property (Interest Income)				\$11,000	\$(11,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$11,000		\$11,000		\$11,000
Clean-Up Actions TOTAL	\$11,000		\$11,000	\$11,000	
Residential Construction Tax Contribution Fund (420) TOTAL					
	\$11,000		\$11,000	\$11,000	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<hr/>						
Service Yards Construction and Conveyance Tax Fund (395)						
Construction and Conveyance Tax				\$527,000		\$(527,000)
Ending Fund Balance Adjustment		\$527,000	\$527,000			\$527,000
Tech Adjust: Revenue from use of Money and Property (Interest Income)				\$18,000		\$(18,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$18,000		\$18,000			\$18,000
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Clean-Up Actions TOTAL	\$18,000	\$527,000	\$545,000	\$545,000		
Service Yards Construction and Conveyance Tax Fund (395) TOTAL	\$18,000	\$527,000	\$545,000	\$545,000		
Subdivision Park Trust Fund (375)						
Communications Hill Turnkey Park Design, Review and Inspection	\$96,000		\$96,000			\$96,000
Del Monte Park Expansion Phase II	\$100,000		\$100,000			\$100,000
Del Monte Park Improvements	\$(100,000)		\$(100,000)			\$(100,000)
Future PDO/PIO Projects Reserve	\$(181,000)		\$(181,000)			\$(181,000)
North San Pedro Parks Design	\$85,000		\$85,000			\$85,000
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Budget Adjustments TOTAL						
Subdivision Park Trust Fund (375) TOTAL						

**Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2017-2018 Year End Budget Review**

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<hr/>						
Water Utility Capital Fund (500)						
Tech Adjust: Edenvale Reservoir Rehabilitation (reallocation from Infrastructure Improvements for Project Close-Out Costs)	\$20,000		\$20,000			\$20,000
Tech Adjust: Infrastructure Improvements (reallocation to Edenvale Reservoir Rehabilitation for Project Close-Out Costs)	\$(20,000)		\$(20,000)			\$(20,000)
	<hr/>			<hr/>		<hr/>
Clean-Up Actions TOTAL						
Water Utility Capital Fund (500) TOTAL						