



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Margaret McCahan

**SUBJECT: APPROVAL OF VARIOUS
BUDGET ACTIONS FOR
FISCAL YEAR 2018-2019**

DATE: June 7, 2019

Approved

Date

6-7-19

RECOMMENDATION

Adopt 2018-2019 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 2018-2019, align revenues and expenditures with actual performance and assumptions used in the development of the 2019-2020 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 are 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 2019-2020 Operating and Capital Budgets, including increasing the 2018-2019 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 2019-2020 Operating and Capital Budgets. Additionally, separate, related adjustments are also included in Manager's Budget Addendum #36 (Recommended Amendments to the 2019-2020 Proposed Operating and Capital Budgets) and the Mayor's June Budget Message for Fiscal Year 2019-2020 to rebudget or otherwise adjust funding for 2019-2020, 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 revenue increases totaling \$61.8 million are recommended to align budgeted levels with actual collection trends and year-end projections. This includes the recognition of proceeds of \$37.0 million from the sale of the Fire Training Center site to Google in accordance with the terms of the purchase and sale agreement approved by the City Council on December 4, 2018, which are allocated to the Fire Training Center Replacement Reserve (\$36.8 million) and to pay for closing costs (\$140,000). Excess sale proceeds of \$7.8 million from the sale of the Hayes Mansion are also transferred to the General Fund and allocated to the 2018-2019 Ending Fund Balance Reserve as assumed in the 2019-2020 Budget. Several upward and downward adjustments to revenue estimates totaling \$17.0 million are also recommended to align year-end estimates with collection trends, including increases to Sales Tax (\$13.0 million), Property Tax (\$3.5 million), Business Tax (\$2.5 million), Transient Occupancy Tax (\$1.0 million), Use of Money and Property (\$1.0 million), Revenue from State of California (\$1.0 million), and Transfers and Reimbursements (\$2.0 million), that are partially offset by decreases to Franchise Fees (-\$3.0 million) and Utility Taxes (-\$4.0 million).

Expenditure adjustments totaling \$62.7 million are recommended to allocate property sale proceeds from the Fire Training Center and the Hayes Mansion as discussed above and to address higher than anticipated expenditures. Other significant expenditure adjustments include the addition of a new City-Wide Sanitary Sewer Fees appropriation to centrally capture the

payment of sanitary sewer fees for City-owned property (\$514,000), higher retirement and overtime costs in the Public Works' Personal Services appropriation (\$500,000), and higher outside legal counsel costs and software/equipment needs in the City Attorney's Office (\$363,000). A downward adjustment to the Workers' Compensation State License fee is also recommended to account for an updated invoice from the State (\$371,000), and these savings will be used to partially offset the expenditure increases. An increase of \$16.3 million to the 2018-2019 Ending Fund Balance Reserve (bringing the reserve to \$31.3 million) is also recommended to set aside the majority of the \$43.2 million in 2018-2019 ending fund balance that was expected to be generated from a combination of excess revenues, expenditure savings, and the liquidation of prior year carryover encumbrances and assumed as a funding source in the 2019-2020 General Fund Operating Budget. Excess revenues have been used to set aside funding in the 2018-2019 Ending Fund Balance Reserve. Expenditure savings and liquidation of carryover encumbrances will also be realized but are generally not set aside in this reserve.

Grants/Reimbursements/Fees – A series of revenue-supported adjustments resulting in a net positive impact to the General Fund of \$856,000 are recommended to reflect updated revenues and expenditures for grants, reimbursements, and/or fee activities. This includes reimbursement from the State for overtime and apparatus costs associated with the Fire Department Strike Team Deployments (\$735,000). Several adjustments recognize grant funding and reimbursements from a variety of agencies (including Santa Clara County, AARP, and Lyft) in support of Viva CalleSJ (\$140,000). There are also several adjustments recommended for the Development Fee Programs to align with anticipated year-end performance, including: development-related revenue adjustments in Planning (decrease of \$1.0 million), Building (increase of \$2.5 million), and Public Works (decrease of \$1.3 million); expenditure budget reductions to capture program savings in Planning (\$600,000) and Building (\$2.0 million); and adjustments to program reserve levels in Planning (decrease of \$400,000), Building (increase of \$4.5 million), and Public Works (decrease of \$1.3 million). Downward adjustments are recommended to the Digital Inclusion Program (\$380,000) and Emergency Medical Services Trust Fund Reimbursement (\$354,000) appropriations that bring down both the revenue and expenditure allocations to reflect actual or anticipated revenue in 2018-2019.

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.

General Fund and Special/Capital Funds

Clean Up Actions – These actions include technical adjustments and net-zero transfers between appropriations. The following adjustments are identified by title only:

- **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. This includes the shift of funding from personal services appropriations to non-personal/equipment appropriations to use vacancy savings to cover temporary staffing costs. There are also net-zero re-categorizations of revenue between revenue appropriations.
- **Salary and Benefits to Overtime Reallocation** – An action is recommended to reallocate savings in the salary and benefits line item in the Fire and Police Departments, due primarily to vacancies, to the overtime line items in the Personal Services appropriation 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 2018-2019.
- **Fund Balance Reconciliation** – Actions are recommended to adjust the 2018-2019 Beginning Fund Balance estimates for the Community Facilities Revenue Fund and the Ice Centre Revenue Fund to align with the 2017-2018 Comprehensive Annual Financial Report (CAFR). These adjustments were inadvertently omitted from the 2018-2019 Mid-Year Budget Review during which any final reconciliations to the CAFR are brought forward.
- **Local Sales Tax Budget Adjustments** – In the 2018-2019 Adopted Budget, the items funded by the Local Sales Tax were itemized in Manager’s Budget Addendum #28 (Local Sales Tax Budget Adjustments). Actions are recommended in this memorandum to align the budgeted line items that are funded from the Local Sales Tax to the revised Local Sales Tax revenue estimate. This includes reallocating the \$8.6 million from the 2019-2020 Future Deficit Reserve to the Police Officer Retention and Attraction/Police Department’s Personal Services appropriation that was established to account for a portion of the salary increases for sworn staff over the previously forecasted amount. It also includes allocating the \$4.0 million increase to the Police Department’s Personal Services overtime budget that was

approved during the 2017-2018 Annual Report process to the Local Sales Tax category within the General Fund.

EVALUATION AND FOLLOW-UP

This memorandum presents recommended adjustments to align budgeted levels for 2018-2019 with current year-end estimates of revenues and expenditures. The final reconciliation of the 2018-2019 fiscal year will be presented in the 2018-2019 Annual Report, which is scheduled to be released on September 30, 2019, and the 2018-2019 Comprehensive Annual Financial Report (CAFR) scheduled to be released fall 2019.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 18, 2019 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

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CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.



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 Action

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I hereby certify that there will be available for appropriation in the amounts as listed in the fiscal year 2018-2019 monies in excess of those heretofore appropriated therefrom:

General Fund (001)	\$62,538,517
Airport Revenue Fund (521)	\$352,000
Benefit Funds – Benefit Fund (160)	\$165,762
Benefit Funds – Dental Insurance Fund (155)	\$22,000
Benefit Funds – Life Insurance Fund (156)	\$45,000
Community Development Block Grant Fund (441)	\$321,471
Community Facilities Revenue Fund (422)	\$34,140,001
Construction Tax and Property Conveyance Tax Fund: Communications Purposes (397)	\$6,000
Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes (392)	\$109,000
Construction Tax and Property Conveyance Tax Fund: Library Purpose (393)	\$50,000
Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes Fund (398)	\$24,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund (390)	\$391,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes City-Wide Fund (391)	\$2,000,000
Construction Tax and Property Conveyance Tax Fund: Service Yards Purpose Fund (395)	\$20,000
Construction Excise Tax Fund (465)	\$865,000
Convention Center Facility District Revenue Fund (791)	\$2,018,000
Gift Trust Fund (139)	\$176,508
Housing Trust Fund (440)	\$700,000
Ice Centre Revenue Fund (432)	\$2
Low and Moderate Income Housing Asset Fund (346)	\$16,000,000
Multi-Source Housing Fund (448)	\$4,124,764
Public Works Program Support Fund (150)	\$600,000
Residential Construction Tax Contribution Fund (420)	\$20,000
Sewer Service and Use Charge Fund (541)	\$14,700
South Bay Water Recycling Operating Fund (570)	\$1,460,000
Storm Drainage Fee Fund (413)	\$7,000
Subdivision Park Trust Fund (375)	\$915,000
Supplemental Law Enforcement Services (SLES) Fund (414)	\$75,378
Transient Occupancy Tax Fund (461)	\$1,907,000



MARGARET MCCAHAN
Budget Director

General Fund Recommended Budget Adjustments Summary

2018-2019 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 Services and Technical Upgrades)	City Attorney's Office	-	\$363,000	-
	<p>This action increases the Office of the City Attorney's Non-Personal/Equipment appropriation by \$363,000 (from \$1,745,018 to \$2,108,018) 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. This increase will also support an upgrade of computer monitors and Adobe software licensing needed to support high volume of work being done in the office.</p>				
	Ethics Commission	City Clerk's Office	-	\$30,000	-
	<p>This action increases the City-Wide Ethics Commission appropriation by \$30,000 (from \$40,000 to \$70,000). The San José Municipal Code and the Ethics Commission Regulations and Procedures provide that the City Council shall retain an independent and neutral Evaluator (Hanson Bridgett, LLP), selected by the Commission, to review and investigate complaints that are filed with the Commission alleging violations of the Ethics Ordinances in Title 12 of the Municipal Code.</p>				
	Arena Authority	City Manager - Office of Economic Development	-	\$15,000	-
	<p>This action increases the Arena Authority City-Wide appropriation by \$15,000 (from \$206,000 to \$221,000) to align with the increased scope of the Arena Authority, such as facilitating the South Campus Operations Team in the ongoing operations and activities of City-owned facilities and University-owned facilities in the South Campus area of San José State University. This increase is in alignment with the restated agreement between the City and Arena Authority scheduled for City Council approval at its meeting on June 25, 2019.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Other Revenue (Fire Training Center Sale)	City Manager - Office of Economic Development	-	\$140,000	\$36,975,000
<p>This action increases the estimate for Other Revenue to recognize sale proceeds of \$36,975,000 from the sale of the Fire Training Center to Google in accordance with the terms of the purchase and sale agreement authorized by the City Council at its meeting on December 4, 2018. As the property transaction closed on June 6, 2019, this action also increases the Office of Economic Development Non-Personal/Equipment appropriation by \$140,000 to allow for the payment of related closing costs. The remaining proceeds of \$36,835,000 are recommended elsewhere in this memorandum to establish the Fire Training Center Replacement Reserve.</p>				
Revenue - Business Taxes	City Manager's Office	-	-	\$2,500,000
<p>This action increases the revenue estimate for Business Taxes by \$2.5 million (from \$69.4 million to \$71.9 million) to align budgeted estimates with current collection trends and with assumptions included in the 2019-2020 Proposed Operating Budget. The increase in Business Taxes reflects increased anticipated Cannabis Business Tax revenue of \$1.5 million (formerly Marijuana Business Tax; changed as part of May 21, 2019 City Council memorandum) and higher General Business Tax revenue of \$1.0 million. The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Franchise Fees	City Manager's Office	-	-	(\$3,000,000)
<p>This action decreases the revenue estimate for Franchise Fees by \$3.0 million (from \$50.5 million to \$47.5 million) to align budgeted estimates with current collection trends. The decrease in Franchise Fees reflects lower anticipated Electric Franchise Fees (\$1.0 million, from \$22.7 million to \$21.7 million) and Cable Television Franchise Fees (\$2.0 million, from \$10.4 million to \$8.4 million). A majority of the lower revenue (\$2.6 million) was assumed in the development of the 2019-2020 Proposed Operating Budget. The decrease in this revenue category is offset by increases in other revenue categories, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 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	-	-	\$3,500,000
<p>This action increases the revenue estimate for Property Tax by \$3.5 million (from \$324.5 million to \$328.0 million) to align the budgeted estimate with current collection trends and with assumptions included in the 2019-2020 Proposed Operating Budget. This increase primarily reflects increases in Secured Property Tax (\$2.0 million, from \$299.5 million to \$301.5 million), which reflects an increase to the excess Education Revenue Augmentation Fund (ERAF) funds. In addition, increases are recommended to SB813 (\$1.0 million, from \$6.9 million to \$7.9 million) and Unsecured Property Tax (\$500,000, from \$14.5 million to \$15.0 million), based on information received by Santa Clara County. The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Revenue from the State of California	City Manager's Office	-	-	\$1,000,000
<p>This action increases the revenue estimate for Revenue from the State of California by \$1.0 million (from \$14.4 million to \$15.4 million) to align budgeted estimates with current collection trends and with assumptions included in the 2019-2020 Proposed Operating Budget. The increase in Revenue from the State of California reflects increased Tobacco Settlement revenue (\$1.6 million, from \$9.0 million to \$10.6 million), partially offset by lower anticipated grant revenue of \$600,000. The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue - Sales Tax	City Manager's Office	-	-	\$13,000,000
<p>This action increases the revenue estimate for Sales Tax by \$13.0 million (from \$250.5 million to \$263.5 million) to align budgeted estimates with current collection trends. The increase in Sales Tax reflects additional General Sales Tax revenue (\$10.0 million, from \$200.3 million to \$210.3) and additional Local Sales Tax revenue (\$3.0 million, from \$44.0 million to \$47.0 million). The 2019-2020 Proposed Operating Budget assumed 2018-2019 Sales Tax revenue of \$259.0 million. However, the third quarter Sales Tax receipts have since been received, resulting in an additional \$4.5 million of estimated 2018-2019 revenue. The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Transfers and Reimbursements	City Manager's Office	-	-	\$2,000,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$2.0 million (from \$94.7 million to \$96.7 million) to align budgeted estimates with current collection trends and with assumptions included in the 2019-2020 Proposed Operating Budget. The increase in this revenue category reflects higher capital overhead (\$2.0 million), increased transfers from other funds due to higher interest earnings (\$600,000), partially offset by lower Gas Tax revenue (\$600,000). The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Transient Occupancy Tax	City Manager's Office	-	-	\$1,000,000
<p>This action increases the revenue estimate for Transient Occupancy Tax by \$1.0 million (from \$19.7 million to \$20.7 million) to align budgeted estimates with current collection trends. This revised collection level is slightly below (\$300,000) the estimate used for development of the 2019-2020 Proposed Operating Budget. The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue - Use of Money and Property	City Manager's Office	-	-	\$1,000,000
<p>This action increases the revenue estimate for Use of Money and Property by \$1.0 million (from \$6.9 million to \$7.9 million) to align budgeted estimates with current collection trends and with assumptions included in the 2019-2020 Proposed Operating Budget. The increase in Use of Money and Property reflects increased interest earning assumptions (from \$3.0 million to \$4.0 million). The increase in this revenue category is recommended to offset expenditure increases and/or increase the 2018-2019 Ending Fund Balance Reserve, as described elsewhere in this memorandum.</p>				
Revenue - Utility Tax	City Manager's Office	-	-	(\$4,000,000)
<p>This action decreases the revenue estimate for Utility Tax by \$4.0 million (from \$102.4 million to \$98.4 million) to align budgeted estimates with current collection trends. The decrease in Utility Tax reflects lower anticipated Electricity Utility Tax revenue (\$3.0 million, from \$49.0 million to \$46.0 million) and Water Utility Tax revenue (\$1.0 million, from \$17.2 million to \$16.2 million). A majority of the lower revenue (\$3.4 million) was assumed in the development of the 2019-2020 Proposed Operating Budget. The decrease in this revenue category is offset by increases in other revenue categories, as described elsewhere in this memorandum.</p>				
Personal Services (Overage)	Environmental Services Department	-	\$16,418	-
<p>This action increases the Personal Services appropriation to the Environmental Services Department in the General Fund by \$16,418 (from \$1,736,844 to \$1,753,262) to account for higher retirement costs based on the actual complement of Tier 1 and Tier 2 employees.</p>				
Sanitary Sewer Fees	Environmental Services Department	-	\$514,000	-
<p>This action establishes the Sanitary Sewer Fees City-Wide Department appropriation to provide a central allocation for the payment of sanitary sewer fees for City-owned property operated and/or maintained with General Fund resources. A review of payment from various City sources to the Sewer Service and Use Charge Fund confirmed additional properties. Fees for those properties operated and/or maintained by Special Funds will be paid by their respective funding sources.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Classification and Recruitment Services)	Finance Department	-	\$45,000	-
<p>This action increases the Non-Personal/Equipment appropriation to the Finance Department by \$45,000 (from \$2,454,232 to \$2,499,232) to begin a classification study coordinated with the Human Resources Department to evaluate the addition of a Senior Financial Analyst classification (\$20,000) and for contractual recruitment services (\$25,000) to fill the Assistant Director position that is expected to be vacated in 2019-2020 due to a forthcoming retirement. This funding will advance both initiatives to expedite hiring and mitigate impacts for the administration of the Department and City finances.</p>				
Property Tax Administration Fee	Finance Department	-	\$51,000	-
<p>This action increases the Property Tax Administration Fee appropriation by \$51,000 (from \$1,823,000 to \$1,874,000) based on the actual assessment by Santa Clara County. A corresponding adjustment is recommended as part of Manager's Budget Addendum #36 (Recommended Adjustments to the 2019-2020 Proposed Operating and Capital Budgets) to align budgeted funding with projected 2019-2020 costs.</p>				
Fire Training Center Replacement Reserve	Fire Department	-	\$36,835,000	-
<p>This action establishes the Fire Training Center Replacement Reserve in the amount of \$36,835,000, which is allocated from sale proceeds of the existing Fire Training Center site to Google in accordance with the terms of the purchase and sale agreement authorized by the City Council at its meeting on December 4, 2018. Actions to recognize the sale proceeds received on June 6, 2019 of \$36,975,000, and allocate \$140,000 for closing costs, are recommended elsewhere in this memorandum.</p>				
Workers' Compensation Claims – Fire	Fire Department	-	(\$125,000)	-
<p>This action decreases the Workers' Compensation Claims – Fire appropriation by \$125,000 (from \$7.27 million to \$7.15 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 offsets the recommended increase to the Workers' Compensation - Police appropriation recommended elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (STiR Disaster Response Software Project)	Housing Department	-	\$100,000	-
<p>This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$100,000 (from \$455,000 to \$555,000) for the development of a disaster response software solution, a Startup in Residence (STiR) project. This software would enable the Housing Department to better respond to events such as apartment fires following a disaster. The \$100,000 provides for the initial \$50,000 for development of a proof of concept, and \$50,000 for the first half of the development of the software. A corresponding decrease to the Housing Personal Services appropriation is recommended elsewhere in this memorandum to offset this action.</p>				
Personal Services (Vacancy Savings)	Housing Department	-	(\$100,000)	-
<p>This action decreases the Personal Services Appropriation to the Housing Department by \$100,000 (from \$294,466 to \$194,466) to reflect personal services savings. This action will offset an increase to the Housing Department Non-Personal/Equipment appropriation for the development of a disaster response software solution, a Startup in Residence (STiR) project. A corresponding increase to the Housing Department Non-Personal/Equipment appropriation is recommended elsewhere in this memorandum to offset this action.</p>				
Workers' Compensation State License	Human Resources Department	-	(\$370,754)	-
<p>This action decreases the Workers' Compensation State License appropriation by \$370,754 (from \$1,192,000 to \$821,246). The State calculates the license fee and invoices the Human Resources Department. The original invoice was for \$1,200,050. A refund check was sent from the State in the amount of \$378,804, referencing that the original invoice was incorrectly calculated. The refund check was credited against the expense appropriation leaving a balance of \$370,754.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
2018-2019 Ending Fund Balance Reserve/Transfers and Reimbursements	Office of the City Manager	-	\$7,820,000	\$7,820,000

This action increases the 2018-2019 Ending Fund Balance Reserve and the revenue estimate for Transfers and Reimbursements by \$7.8 million to recognize the transfer of excess proceeds from the sale of Hayes Mansion from the Community Facilities Revenue Fund that is used to account for Hayes Mansion operations and debt obligations. This action is necessary to effect the sale of the Hayes Mansion along with a series of other actions included in the Community Facilities Revenue Fund, as described elsewhere in this memorandum, that recognize sale proceeds to pay-off outstanding debt and budget for close-out and other settlement costs consistent with the closing statement. The corresponding action to allocate the \$7.8 million to the 2018-2019 Ending Fund Balance Reserve is also consistent with the assumptions included in the 2019-2020 Proposed Operating Budget.

2018-2019 Ending Fund Balance Reserve	Office of the City Manager	-	\$16,300,000	-
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This action increases the 2018-2019 Ending Fund Balance Reserve by \$16.3 million (from \$15.0 million to \$31.3 million) in the General Fund. A total of \$43.2 million in 2018-2019 Ending Fund Balance (excluding carryover rebudgets and use of reserves) was assumed as a funding source for 2019-2020 (Beginning Fund Balance) in development of the 2019-2020 Operating Budget from a combination of excess revenue, expenditure savings, and liquidation of carryover encumbrances. With this action, a total of \$31.3 million of the \$43.2 million (72%) will be set aside as a net result of the various actions described in this memorandum. In a separate transaction described elsewhere in this memorandum, this reserve will also receive an increase of \$7.8 million due to the sale of the Hayes Mansion that was assumed in the development of the 2019-2020 Proposed Operating Budget. Additional revenue, expenditure savings, and the liquidation of carryover encumbrances are also anticipated to be realized by year-end in order to fully meet the 2019-2020 Beginning Fund Balance estimate.

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
City Manager Special Projects (Reallocation from Non-Personal/Equipment)	Office of the City Manager	-	\$65,000	-
<p>This action increases the City Manager Special Projects appropriation by \$65,000 (from \$252,000 to \$317,000) for high priority projects assigned to the Administration. These projects include consultant work, such as revising the municipal code, and making policy recommendations on improving the effectiveness of the organization. These funds are recommended to be rebudgeted to 2019-2020 to complete these projects in Manager's Budget Addendum #36, Recommended Adjustments to the 2019-2020 Proposed Operating and Capital Budgets. A corresponding decrease to the City Manager's Office Non-Personal/Equipment appropriation is recommended to offset this action elsewhere in this memorandum.</p>				
Non-Personal/Equipment (Community WiFi Support)	Office of the City Manager	-	\$180,000	-
<p>This action increases the Non-Personal/Equipment appropriation to the City Manager's Office by \$180,000 for the Eastside Union High School District community WiFi project. These funds will provide for the ongoing maintenance and support through the final two years of the contract. Personal Services savings in the City Manager's Office are available to offset this cost and a corresponding adjustment to the Personal Services appropriation is recommended elsewhere in this memorandum.</p>				
Non-Personal/Equipment (Fuse Fellows)	Office of the City Manager	-	\$190,000	-
<p>This action increases the City Manager's Office Non-Personal/Equipment appropriation by \$190,000 to reallocate funds from the Personal Services appropriation to increase the contract for additional Fuse Fellows. Included in the 2018-2019 Adopted Operating Budget is an allocation of \$200,000 for a Chief Data Officer (CDO). After an unsuccessful recruitment effort in 2018-2019, staff determined that the use of Fuse Fellows instead of a CDO would allow for the successful completion of the same work as planned, such as data privacy and data leverage strategies in public safety, housing, and transit. A corresponding decrease of the Personal Services appropriation is recommended elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Office of Emergency Management Cubicle Reconfiguration)	Office of the City Manager	-	\$53,000	-
<p>This action increases the City Manager's Office Non-Personal/Equipment appropriation by \$53,000 for the reconfiguration of the Office of Emergency Management cubicle space at the Emergency Operations Center. Reconfiguration of the space allows for better use of the limited space providing working stations for the positions added in 2018-2019. Personal Services savings in the City Manager's Office are available to offset this cost and a corresponding adjustment to the Personal Services appropriation is recommended elsewhere in this memorandum.</p>				
Non-Personal/Equipment (Reallocation to City Manager Special Projects)	Office of the City Manager	-	(\$65,000)	-
<p>This action decreases the City Manager's Office Non-Personal/Equipment appropriation by \$65,000 to reallocate funds from the Non-Personal/Equipment budget for high priority projects assigned to the Administration. These projects include consultant work, such as revising the municipal code, and making policy recommendations on improving the effectiveness of the organization. These funds are recommended to be rebudgeted to 2019-2020 to complete these projects in Manager's Budget Addendum #36, Recommended Adjustments to the 2019-2020 Proposed Operating and Capital Budgets. A corresponding increase to the City Manager Special Projects appropriation is recommended to offset this action elsewhere in this memorandum.</p>				
Personal Services (Vacancy Savings)	Office of the City Manager	-	(\$423,000)	-
<p>This action decreases the City Manager's Office Personal Services appropriation by \$423,000 (from \$17.1 million to \$16.7 million) to reflect projected personal services savings resulting from vacancies. This action will offset increases to the City Manager's Office Non-Personal/Equipment appropriation for the Eastside Union High School District community WiFi project (\$180,000), an Office of Emergency Management cubicle reconfiguration (\$53,000), and for Fuse Fellows for data privacy and data leverage strategies in public safety, housing, and transit (\$190,000). Corresponding increases to the City Manager's Office Non-Personal/Equipment appropriation are recommended to offset this action elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 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	-	\$125,000	-
<p>This action increases the Workers' Compensation Claims - Police appropriation by \$125,000 (from \$9,000,000 to \$9,125,000) to accommodate higher than anticipated payments for police-related claims during 2018-2019, primarily from one-time settlement costs. This cost can be offset by projected savings in the Workers' Compensation Claims - Fire appropriation, and a corresponding adjustment to that appropriation is recommended elsewhere in this memorandum.</p>				
City Hall Waterproofing	Public Works Department	-	\$45,000	-
<p>This action increases the City Hall Waterproofing project by \$45,000 (from \$915,000 to \$960,000). The increase reappropriates prior year carryover encumbrance funds that were liquidated and subsequently fell to fund balance in 2018-2019. The action appropriates the remaining funds to continue to fund the waterproofing project.</p>				
Fire Training Center Environmental Monitoring	Public Works Department	-	\$100,000	-
<p>This action establishes the Fire Training Center Environmental Monitoring project in the amount of \$100,000. The project allows for the environmental sampling, monitoring, and evaluation around the Fire Training Center. The City is working with the Regional Water Quality Control Board to investigate and evaluate the extent of groundwater contamination found during environmental due diligence by Google for its purchase of the San José Fire Department's Fire Training Center.</p>				
Measure T Implementation	Public Works Department	-	\$250,000	-
<p>This action increases the Measure T Implementation project by \$250,000 (from \$250,000 to \$500,000) to provide preliminary and planning work related to projects that will be funded by Measure T San José Disaster Preparedness, Public Safety and Infrastructure General Obligation Bond. The increase supports the latest year-to-date expenditure estimates for Public Works' staff to provide preliminary and planning work on projects related to the Police Training Center Relocation, Emergency Operations Center Relocation, Relocation of Fire Stations 8 and 23, and new Fire Stations 32 and 36. To the extent possible, the General Fund may be reimbursed for eligible costs subsequent to the bond issuance scheduled for July 2019.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Overages)	Public Works Department	-	\$500,000	-
<p>This action increases the Public Works Department Personal Services appropriation by \$500,000 (from \$22.1 million to \$22.6 million) to support higher than anticipated retirement (\$300,000) and overtime (\$200,000) costs. The higher than anticipated retirement cost is primarily due to a greater proportion of Tier 1 employees than assumed in the 2018-2019 Adopted Budget. The facilities management group also experienced higher levels of overtime for call backs and standby needs.</p>				
Non-Personal/Equipment (Parking Citation Processing)	Transportation Department	-	\$50,000	-
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$50,000 for parking citation processing. This fiscal year has seen a rise in the number of citations issued, resulting in increased citation revenue as well as increased vendor costs for citation processing. The use of Personal Services vacancy savings is recommended to offset this action.</p>				
Non-Personal/Equipment (Permit Center Printing Services)	Transportation Department	-	\$57,000	-
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$57,000 (from \$16.44 million to \$16.49 million) for higher printing costs due to a large number of Tow Away permits issued in 2018-2019 with the expansion of the pavement program and a large number of Residential Parking Zones up for renewal in Summer 2019. The Department expects to issue Tow Away permits and signs to contractors for at least five new pavement projects covering 212 miles of streets by the end of the fiscal year. For the Residential Parking Program, a large number of permit zones are up for renewal in Summer 2019 because of a two-year renewal cycle, and that has resulted in an increase in orders for hangers, stickers, and other permit supplies. The use of Personal Services vacancy savings is recommended to offset this action.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Other Revenue (LED Streetlight Fixtures Conversion)	Transportation Department	-	-	\$2,638
<p>This action increases the estimate for Other Revenue by \$2,638 to recognize additional revenue from a revised loan agreement with PG&E for LED streetlight fixtures conversion. The original amount of the loan agreement was approved by the City Council for \$441,000 on September 11, 2018. However this agreement was recently modified by PG&E due to energy efficiency incentives which were not previously recognized. The new agreement total of \$443,638 was executed on May 21, 2019.</p>				
Personal Services (Vacancy Savings)	Transportation Department	-	(\$107,000)	-
<p>This action decreases the Transportation Department Personal Services appropriation to reflect personal services savings. A corresponding increase to the Transportation Department Non-Personal/Equipment appropriation for increased costs associated with parking citation processing (\$50,000) and permit center printing services (\$57,000) is recommended to offset this action.</p>				
Required Technical-Rebalancing Actions		-	\$62,653,664	\$61,797,638

General Fund Recommended Budget Adjustments Summary 2018-2019 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)	City Manager - Office of Economic Development	-	(\$150,000)	-
<p>This action decreases the Office of Economic Development (OED) Personal Services appropriation by \$150,000 to recognize vacancy savings associated with the Housing Catalyst Position. On September 28, 2017 the Mayor issued a memorandum entitled "Responding to the Housing Crisis." This memo identified a large number of items to address the housing crisis and directed staff to identify which items could be implemented within an existing work programs. The Housing Catalyst Team comprises 10 positions drawn from a combination of existing staff resources and new positions included in the 2018-2019 Adopted Budget. This team includes a Housing Catalyst/Executive Analyst position that remains vacant in OED. Because this position was funded by the General Plan Update Reserve, a corresponding increase to return these funds to the General Plan Update Reserve is recommended elsewhere in this memorandum. Since the position has remained vacant, the \$150,000 savings will help fund the additional year of this position. It is important to note that the General Plan Update Reserve is retitled to the City-Wide Planning Fee Reserve in the 2019-2020 Proposed Budget.</p>				
Grants-Reimbursements				
-Fees				
Fire Development Fee Program Reserve	Fire Department	-	(\$25,000)	-
<p>This action decreases the Fire Development Fee Program Reserve by \$25,000 to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for retirement costs. A corresponding adjustment to the Fire Development Fee Program – Personal Services appropriation is recommended elsewhere in this memorandum.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Revenue from Local Agencies (EMS Trust Fund Reimbursement)	Fire Department	-	(\$353,627)	(\$353,627)

This action decreases the Fire Department Non-Personal/Equipment and the corresponding estimate for Revenue from Local Agencies by \$353,627 to account for unused grant funds from the County of Santa Clara. On June 19, 2018, funds of \$472,706 were approved to be appropriated for the reimbursement of products and services benefitting the Santa Clara County Emergency Medical Services (EMS) System and first responders from the EMS Trust Fund, Category C -Benefit. In the six-month timeline to spend the funds by the December 31, 2018 deadline, a total of 40 King Vision Video Laryngoscopes were purchased as approved reimbursable items. The remainder of the grant was not spent or reimbursed resulting in this recommended appropriation action. The County is actively working on an agreement for the remaining funds to be available for reimbursement in 2019-2020.

Revenue from Federal Government (Task Force 3 Reimbursement)	Fire Department	-	-	\$74,343
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This action increases the estimate for Revenue from Federal Government by \$74,343 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. This year trainings included Open Water Rescue Boat Operator and Trench Instructors. Reimbursement covers expenses incurred for all training exercises that took place in 2018-2019.

General Fund Recommended Budget Adjustments Summary

2018-2019 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 from State of California (Strike Team Reimbursements)	Fire Department	-	-	\$735,236

This action increases the estimate for Revenue from State of California by \$735,236 to reimburse the City for overtime and apparatus costs associated with 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. Reimbursements recognized as part of this action (\$735,236) and as part of the 2018-2019 Mid-Year Budget (\$649,510) account for all reimbursements for deployments through May 2019.

Library Grants/Other Revenue (Public Library Association - Student Internship Grant)	Library Department	-	\$3,500	\$3,500
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This action increases the Library Grants appropriation in the Library Department and the estimate for Other Revenue by \$3,500 to recognize receipt of the Public Library Association Student Internship grant. This grant provides funding to hire a high school intern for summer 2019 to work with the Teen HQ Librarian to develop a community-based learning project, including working with other teen interns from all over the country.

Library Grants/Revenue from Local Agencies (First 5 Santa Clara County Grant)	Library Department	-	\$75,000	\$75,000
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This action increases the Library Grants appropriation in the Library Department and the estimate for Revenue from Local Agencies by \$75,000 to recognize receipt of the First 5 Santa Clara County grant. This grant funding will increase access to the full range of library services and resources offered by the San Jose Public Library system to under-served neighborhoods in San José.

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (California Library Association - Lunch at the Library Grant)	Library Department	-	\$16,000	\$16,000
<p>This action increases the Library Grants appropriation in the Library Department and the estimate for Revenue from the State of California by \$16,000 to recognize receipt of the California Library Association for the Lunch at the Library grant. This grant will fund the Summer Meal programs to keep children healthy, fed, and engaged during the summer months when students are not in school.</p>				
Library Grants/Revenue from State of California (CLLS - Library Literacy for Adults)	Library Department	-	\$672	\$672
<p>This action increases the Library Grants appropriation in the Library Department and the estimate for Revenue from the State of California by \$672 to recognize receipt of the California Library Literacy Services grant. This funding will allow for the purchase of books, materials, and support the Adult Literacy and Families for Literacy program. This program helps adults increase their basic literacy skills and address the literacy needs of their young children. The 2018-2019 Mid-Year Report included actions to recognize and allocate funding of \$92,000 related to this grant, however, an additional \$672 has now been received.</p>				
Council District #01/Other Revenue	Mayor & City Council	-	\$1,500	\$1,500
<p>This action increases Council District #01 appropriation and the corresponding estimate for Other Revenue by \$1,500 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 1.</p>				
Council District #02/Other Revenue	Mayor & City Council	-	\$1,250	\$1,250
<p>This action increases Council District #02 appropriation and the corresponding estimate for Other Revenue by \$1,250 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 2.</p>				
Council District #03/Other Revenue	Mayor & City Council	-	\$4,023	\$4,023
<p>This action increases Council District #03 appropriation and the corresponding estimate for Other Revenue by \$4,023 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 3.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Council District #05/Other Revenue	Mayor & City Council	-	\$4,000	\$4,000
This action increases Council District #05 appropriation and the corresponding estimate for Other Revenue by \$4,000 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 5.				
Council District #08/Other Revenue	Mayor & City Council	-	\$6,000	\$6,000
This action increases Council District #08 appropriation and the corresponding estimate for Other Revenue by \$6,000 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 8.				
Council District #10/Other Revenue	Mayor & City Council	-	\$1,500	\$1,500
This action increases Council District #10 appropriation and the corresponding estimate for Other Revenue by \$1,500 to allocate revenue received from various businesses and individuals. This funding will support special events co-sponsored by Council District 10.				
Digital Inclusion Program/Revenue from the Use of Money Property (Small Cell Lease Revenue)	Office of the City Manager	-	(\$380,494)	(\$380,494)
This action decreases the Digital Inclusion Program and the estimate for Revenue from Use of Money/Property by \$380,494 to reflect a revised 2018-2019 estimate of lease revenue from the Small Cell sites. Per City Council direction, the Small Cell lease revenue is allocated to the Digital Inclusion Program. The adjusted amount reflects the anticipated revenue based on the amounts that have been invoiced and are anticipated to be received in 2018-2019.				
Public Participation Through Technology/Other Revenue	Office of the City Manager	-	\$65,000	\$65,000
This action establishes the Public Participation Through Technology City-Wide appropriation to the City Manager's Office and increases the estimate for Other Revenue by \$65,000. This grant funding from the Silicon Valley Community Foundation is for the build-out of three pilots: live-streamed content on social media, AI skills integration to improve content discovery, and intelligent data analytics on resident-city interactions to support greater resident engagement through open government and increased access to information, transparency, and engagement with residents.				

General Fund Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Fee Activities/Fees, Rates, and Charges (Scholarships)</p> <p>This action decreases the Fee Activities appropriation and the corresponding estimate for Fees, Rates, and Charges by \$100,000 (from \$250,000 to \$150,000) for scholarships. The County of Santa Clara renegotiated the contract to decrease the award amount because the demand for scholarships from foster youth is lower than originally anticipated.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	(\$100,000)	(\$100,000)
<p>Non-Personal/Equipment/Other Revenue (AARP - Sponsorship Funding for Viva CalleSJ)</p> <p>This action increases the Parks Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue by \$5,000 to reflect sponsorship funding received from AARP for the Viva CalleSJ event.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$5,000	\$5,000
<p>Non-Personal/Equipment/Other Revenue (KIPP Bay Area Public Schools Contract)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation by \$3,300 and the corresponding estimate for Other Revenue to reflect funding received from KIPP Bay Area Public Schools. The funding will support classes for children with special needs at Seven Trees and Mayfair Community Centers.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$3,300	\$3,300
<p>Non-Personal/Equipment/Other Revenue (Lyft - Sponsorship Funding for Viva CalleSJ)</p> <p>This action increases the Parks Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue by \$50,000 to reflect sponsorship funding received from Lyft for the Viva CalleSJ event.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$50,000	\$50,000
<p>Non-Personal/Equipment/Other Revenue (Sponsorship Funding for Viva CalleSJ)</p> <p>This action increases the Parks Recreation and Neighborhood Services Personal Services appropriation and the corresponding revenue estimate for Other Revenue by \$20,000 to reflect sponsorship funding received from a private company for the Viva CallSJ event.</p>	<p>Parks, Recreation and Neighborhood Services Department</p>	-	\$20,000	\$20,000

General Fund Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Other Revenue (Stanford Children's Health - Sponsorship Funding for Viva CalleSJ)	Parks, Recreation and Neighborhood Services Department	-	\$10,000	\$10,000
This action increases the Parks Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue by \$10,000 to reflect sponsorship funding received from Stanford Children's Health for the Viva CalleSJ event.				
Non-Personal/Equipment/Revenue from Local Agencies (Bay Area Air Quality Management District - Sponsorship Funding for Viva CalleSJ)	Parks, Recreation and Neighborhood Services Department	-	\$7,500	\$7,500
This action increases the Parks Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from Local Agencies by \$7,500 to reflect sponsorship funding received from Bay Area Air Quality Management District for the Viva CalleSJ event.				
Non-Personal/Equipment/Revenue from Local Agencies (San José Clean Energy - Sponsorship Funding for Viva CalleSJ)	Parks, Recreation and Neighborhood Services Department	-	\$10,000	\$10,000
This action increases the Parks Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation and the corresponding estimate for Revenue from Local Agencies by \$10,000 to reflect sponsorship funding received from San Jose Clean Energy for the Viva CalleSJ event.				
Personal Services/Revenue from Local Agencies (Santa Clara County - Reimbursement for Viva CalleSJ)	Parks, Recreation and Neighborhood Services Department	-	\$37,500	\$37,500
This action increases the Parks, Recreation and Neighborhood Services Personal Services appropriation and the corresponding revenue estimate for Revenue from Local Agencies by \$37,500 to reflect reimbursements received from the Santa Clara County for the Viva CallSJ event.				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
2017 Flood - Building Permit and Inspection Fee Waivers	Planning, Building and Code Enforcement Department	-	(\$131,784)	-
<p>This action decreases the 2017 Flood – Building Permit and Inspection Fee Waivers appropriation by \$131,784 (from \$200,000 to \$66,216) for construction work associated with the recovery from the 2017 Coyote Creek flood. In February 2017, the City Council approved an ordinance allowing the City Manager to waive building permit and inspection fees for clean-up and repair efforts for property owners of homes and business owners in the designated flood area. These funds will reimburse the Building Development Fee Program Reserve for the lost revenue associated with actual permits issued. A corresponding increase to the Building Development Fee Program Reserve is recommended to offset this action.</p>				
Building Development Fee Program - Non-Personal/Equipment (Contractual Services Savings)	Planning, Building and Code Enforcement Department	-	(\$500,000)	-
<p>This action decreases the Planning, Building and Code Enforcement Department Building Development Fee Program - Non-Personal/Equipment appropriation by \$500,000 (from \$2.6 million to \$2.1 million) based on projected 2018-2019 costs. A corresponding increase to the Building Development Fee Program Reserve is recommended to offset this action.</p>				
Building Development Fee Program - Personal Services (Vacancy Savings)	Planning, Building and Code Enforcement Department	-	(\$1,500,000)	-
<p>This action decreases the Planning, Building and Code Enforcement Department Building Development Fee Program - Personal Services appropriation by \$1,500,000 (from \$27.5 million to \$26.0 million) to account for vacancy savings, primarily in the Building Inspector classification. A corresponding increase to the Building Development Fee Program Reserve is recommended to offset this action.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 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 Reserve	Planning, Building and Code Enforcement Department	-	\$4,631,784	-
<p>This action increases the Building Development Program Fee Reserve by \$4.6 million (from \$21.5 million to \$26.1 million) to account for the projected increase in Building Fee revenue of \$2.5 million (from \$32.5 million to \$35.0 million) as well as projected savings in the Building Development Fee Program – Personal Services (\$1.5 million) and Non-Personal/Equipment (\$500,000) appropriations. The increase in the Reserve also reflects the use of the 2017 Flood - Building Permit and Inspection Fee Waivers appropriation to offset loss of Building Fee revenue (\$131,784) recommended in this memorandum.</p>				
Fees, Rates, and Charges (Planning Development Fee Program)	Planning, Building and Code Enforcement Department	-	-	(\$1,000,000)
<p>This action decreases the revenue estimate for Planning Fees in the Fees, Rates, and Charges category by \$1,000,000 (from \$8.96 million to \$7.96 million) based on current collection trends. This lower collection level will be offset by Planning Development Fee Program vacancy savings (\$600,000) and the use of the Planning Development Fee Program Reserve (\$400,000); corresponding actions are recommended to reflect these offsets.</p>				
Fire Development Fee Program - Personal Services	Planning, Building and Code Enforcement Department	-	\$25,000	-
<p>This action increases the Fire Development Fee Program – Personal Services appropriation by \$25,000 (from \$410,240 to \$435,240) to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for higher retirement costs. A corresponding decrease to the Fire Development Fee Program Reserve is recommended to offset this action.</p>				

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
General Plan Update Reserve	Planning, Building and Code Enforcement Department	-	\$150,000	-
<p>This action increases the General Plan Update Reserve by \$150,000 (from \$693,615 to \$843,615) to account for savings associated with the Housing Catalyst/Executive Analyst position. On September 28, 2017 the Mayor issued a memorandum entitled "Responding to the Housing Crisis." This memo identified a large number of items to address the housing crisis and directed staff to identify which items could be implemented within an existing work programs. The Housing Catalyst Team comprises 10 positions drawn from a combination of existing staff resources and new positions included in the 2018-2019 budget. This team includes a Housing Catalyst/Executive Analyst position funded by the General Plan Update Reserve. Because this position in the Office of Economic Development (OED) remained vacant in 2018-2019, the savings will be returned to the General Plan Update Reserve. An offsetting decrease to the OED Personal Services appropriation is recommended elsewhere in this memorandum. It is important to note that the General Plan Update Reserve is retitled to the City-Wide Planning Fee Reserve in the 2019-2020 Proposed Operating Budget.</p>				
Licenses and Permits (Building Development Fee Program)	Planning, Building and Code Enforcement Department	-	-	\$2,500,000
<p>This action increases the revenue estimate for Building Fees in the Licenses and Permits category by \$2.5 million (from \$32.5 million to \$35.0 million) based on current collection trends. A corresponding increase to the Building Development Fee Program is recommended to offset this action.</p>				
Other Revenue (Knight Foundation)	Planning, Building and Code Enforcement Department	-	-	\$99,447
<p>This action increases estimate for Other Revenue by \$99,447 to recognize grant funding received from the Knight Foundation. The funding is for the second year of a two year grant. The grant is for updating the City's Historic Preservation and Urban Design guidelines.</p>				

General Fund Recommended Budget Adjustments Summary **2018-2019 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 - 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 \$7.0 million to \$6.4 million) to account for vacancy savings. It is anticipated Planning Fee revenues will fall below the budget estimate by approximately \$1.0 million and these vacancy savings will be used to offset a portion of the lower collection level. The Planning Development Fee Program Reserve will be used to address the remaining projected short fall. Corresponding decreases to the Fees, Rates, and Charges Revenue estimate and the Planning Development Fee Program Reserve are recommended elsewhere in this memorandum.</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 \$400,000 (from \$1,069,969 to \$669,969) to partially offset the \$1.0 million decrease in the Planning Fees revenue estimate recommended elsewhere in this memorandum. The decrease of \$400,000 to the reserve along with vacancy savings of \$600,000 will be used to offset the lower revenue collection level. A corresponding decrease to the Fees, Rates, and Charges Revenue estimate is recommended elsewhere in this memorandum.</p>	Planning, Building and Code Enforcement Department	-	(\$400,000)	-
<p>Public Works Development Fee Program - Personal Services</p> <p>This action increases the Public Works Development Fee Program – Personal Services appropriation by \$50,000 (from \$389,350 to \$439,350) to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for higher retirement costs. A corresponding decrease to the Public Works Development Fee Program Reserve is recommended to offset this action.</p>	Planning, Building and Code Enforcement Department	-	\$50,000	-

General Fund Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Fees, Rates, and Charges (Temporary Police Board-Ups)	Police Department	-	\$123,000	\$70,000
<p>This action increases the Non-Personal/Equipment appropriation to the Police Department by \$123,000 (from \$27,678,114 to \$27,801,114) to provide additional funding for contracted services to secure properties through the installation of temporary boards until the property owner attends to the site, as required. A total of \$32,000 was allotted for such work in 2018-2019; however, actual costs are projected to approach \$155,000, of which \$128,830 has been invoiced to date. As the costs of temporary board-ups are reimbursed by property owners, this action additionally increases estimated Fees, Rates, and Charges revenue by \$70,000, increasing budgeted fees (\$85,000) to align with projected expenses (\$155,000).</p>				
Personal Services/Revenue from Federal Government (FBI Safe Streets Task Force)	Police Department	-	\$11,100	\$11,100
<p>This action increases the Personal Services appropriation to the Police Department by \$11,100, and increases the estimate for Revenue from Federal Government by an equivalent amount, for reimburseable overtime expenses incurred in support of the Safe Streets Task Force. Expenses are fully reimburseable per agreement with the Federal Bureau of Investigations (FBI). The task force is responsible for investigating drug trafficking, money laundering, and violent crimes in San José, for which local assistance has been requested. The Department estimates overtime expenses of \$11,100 to have been incurred between October and June 2019.</p>				
Personal Services/Revenue from Federal Government (FBI SF Joint Terrorism Task Force)	Police Department	-	\$13,129	\$13,129
<p>This action increases the Personal Services appropriation to the Police Department by \$13,129, and increases the estimate for Revenue from Federal Government by an equivalent amount, for reimburseable overtime expenses incurred in support of the San Francisco Joint Terrorism Task Force. Expenses are fully reimburseable per agreement with the Federal Bureau of Investigations (FBI). The task force is investigating illegal activities in San José, for which local assistance has been requested. The Department estimates overtime expenses of \$13,129 to have been incurred between October and June 2019.</p>				

General Fund Recommended Budget Adjustments Summary 2018-2019 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 (Santa Clara Valley Water District)	Police Department	-	\$50,000	\$50,000

This action increases the Personal Services appropriation to the Police Department by \$50,000, from \$368,366,960 to \$368,416,960, and increases the estimate for Revenue from Local Agencies to recognize equivalent funding per a reimbursement agreement between the City and the Santa Clara Valley Water District to support overtime costs. Per the agreement, the Santa Clara Valley Water District will contribute \$200,000 toward overtime costs incurred to provide law enforcement activities related to the Stream Stewardship Law Enforcement Program, which allows for three teams of six Police Officers and one Sergeant to actively patrol and work in creeks belonging to the District. This action provides for reimbursed expenses incurred through June 30, 2019. A separate action to recognize \$150,000 of the contributed funding for overtime costs to be incurred during the 2019-2020 fiscal year is recommended as part of Manager's Budget Addendum #36 (Recommended Amendments to the 2019-2020 Proposed Operating and Capital Budgets).

SLES Grant 2016-2018/Revenue from State of California Police Department	-	-	-
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This action increases the SLES Grant 2016-2018 appropriation by \$52,711, from \$44,432 to \$97,143, and estimated Revenue from State of California to align grant-funded expenses with actual revenue received to date. This grant source allows for a two-year liquidation period from the June 30, 2018 sunset date for eligible expenditures, enabling the Department to maximize the use of available funds. A corresponding action to rebudget the projected balance of funding (\$52,711) to 2019-2020 is recommended as part of Manager's Budget Addendum #36 (Recommended Amendments to the 2019-2020 Proposed Operating and Capital Budgets) due to the anticipated timing of expenditures.

General Fund Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
SLES Grant 2017-2019/Revenue from State of California	Police Department	-	-	-
<p>This action increases the SLES Grant 2017-2019 appropriation by \$22,667, from \$2,315,323 to \$2,337,990, and estimated Revenue from State of California to align grant-funded expenses with actual revenue received to date. This grant source allows for a two-year liquidation period from the June 30, 2019 sunset date for eligible expenditures, enabling the Department to maximize the use of available funds. A corresponding action to rebudget the projected balance of funding (\$675,861) to 2019-2020 is recommended as part of Manager's Budget Addendum #36 (Recommended Amendments to the 2019-2020 Proposed Operating and Capital Budgets) due to the anticipated timing of expenditures.</p>				
Public Works Development Fee Program Reserve/Fees, Rates, and Charges	Public Works Department	-	(\$1,300,000)	(\$1,300,000)
<p>This action decreases the Fees, Rates and Charges revenue estimate for the Public Works Development Fee Program by \$1.3 million (from \$8.9 million to \$7.6 million). This decrease reflects updated year-to-date estimates of revenue and lower than expected development activity. The decrease in revenue is offset by a decrease to the Public Works Development Fee Program Reserve of \$1.3 million (from \$6.9 million to \$5.6 million).</p>				
Public Works Development Fee Program Reserve	Public Works Department	-	(\$50,000)	-
<p>This action decreases the Public Works Development Fee Program Reserve by \$50,000 to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for retirement costs. A corresponding adjustment to the Public Works Development Fee Program – Personal Services appropriation is recommended elsewhere in this memorandum.</p>				
Grants-Reimbursements-Fees		-	(\$115,147)	\$740,879

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
City Attorney's Office							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Litigation Services and Technical Upgrades)	-	\$363,000	\$363,000	-	-	\$363,000
City Clerk's Office							
Clean-Up Actions	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)	(\$60,000)	-	(\$60,000)	-	-	(\$60,000)
	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$60,000	\$60,000	-	-	\$60,000
Office of the City Manager							
Required Technical-Rebalancing Actions	Personal Services (Vacancy Savings)	(\$423,000)	-	(\$423,000)	-	-	(\$423,000)
	Non-Personal/Equipment (Community WiFi Support)	-	\$180,000	\$180,000	-	-	\$180,000
	Non-Personal/Equipment (Office of Emergency Management Cubicle Reconfiguration)	-	\$53,000	\$53,000	-	-	\$53,000
	Non-Personal/Equipment (Fuse Fellows)	-	\$190,000	\$190,000	-	-	\$190,000
	Non-Personal/Equipment (Reallocation to City Manager Special Projects)	-	(\$65,000)	(\$65,000)	-	-	(\$65,000)
Office of the City Manager							
Clean-Up Actions	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment - Census 2020)	(\$110,000)	-	(\$110,000)	-	-	(\$110,000)
	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services - Census 2020)	-	\$110,000	\$110,000	-	-	\$110,000

B-1

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE		Revenue	SOURCE	NET COST
			Non-Personal/ Equipment	Total Use		Beg Fund Balance	
DEPARTMENTAL EXPENSES							
City Manager - Office of Economic Development							
Required Technical-Rebalancing Actions	Non-Personal/Equipment/Other Revenue (Fire Training Center Sale)	-	\$140,000	\$140,000	\$36,975,000	-	(\$36,835,000)
City Manager - Office of Economic Development							
Grants-Reimbursements-Fees	Personal Services (Vacancy Savings)	(\$150,000)	-	(\$150,000)	-	-	(\$150,000)
Environmental Services Department							
Required Technical-Rebalancing Actions	Personal Services (Overage)	\$16,418	-	\$16,418	-	-	\$16,418
Finance Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Classification and Recruitment Services)	-	\$45,000	\$45,000	-	-	\$45,000
Finance Department							
Clean-Up Actions	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing and Risk Management Consultant)	-	\$231,000	\$231,000	-	-	\$231,000
Fire Department							
Grants-Reimbursements-Fees	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing and Risk Management Consultant)	(\$231,000)	-	(\$231,000)	-	-	(\$231,000)
Fire Department							
Grants-Reimbursements-Fees	Non-Personal/Equipment/Revenue from Local Agencies (EMS Trust Fund Reimbursement)	-	(\$353,627)	(\$353,627)	(\$353,627)	-	-
Fire Department							
Clean-Up Actions	Tech Adjust: Personal Services (Shift \$3.7 million from Salaries and Benefits to Overtime)	-	-	-	-	-	-

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
B-3		Tech Adjust: Fire Development Fee Program - Non-Personal/Equipment (Reallocation from Fire Development Fee Program - Personal Services for Temporary Staffing)	-	\$200,000	\$200,000	-	\$200,000
		Tech Adjust: Local Sales Tax - Fire Personal Services (Shift \$390,000 from Salaries and Benefits to Overtime)	-	-	-	-	-
		Tech Adjust: Fire Development Fee Program - Personal Services (Reallocation to Fire Development Fee Program - Non-Personal/Equipment for Temporary Staffing)	(\$200,000)	-	(\$200,000)	-	(\$200,000)
	Housing Department						
	Required Technical-Rebalancing Actions	Non-Personal/Equipment (STiR Disaster Response Software Project)	-	\$100,000	\$100,000	-	\$100,000
		Personal Services (Vacancy Savings)	(\$100,000)	-	(\$100,000)	-	(\$100,000)
	Mayor & City Council						
	Grants-Reimbursements-Fees	Council District #01/Other Revenue	-	\$1,500	\$1,500	-	-
		Council District #02/Other Revenue	-	\$1,250	\$1,250	-	-
		Council District #03/Other Revenue	-	\$4,023	\$4,023	-	-
		Council District #05/Other Revenue	-	\$4,000	\$4,000	-	-
		Council District #08/Other Revenue	-	\$6,000	\$6,000	-	-
		Council District #10/Other Revenue	-	\$1,500	\$1,500	-	-
	Parks, Recreation and Neighborhood Services Department						
	Grants-Reimbursements-Fees	Non-Personal/Equipment/Other Revenue (KIPP Bay Area Public Schools Contract)	-	\$3,300	\$3,300	-	-

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
	Fee Activities/Fees, Rates, and Charges (Scholarships)	-	(\$100,000)	(\$100,000)	(\$100,000)	-	-
	Personal Services/Revenue from Local Agencies (Santa Clara County - Reimbursement for Viva CalleSJ)	\$37,500	-	\$37,500	\$37,500	-	-
	Non-Personal/Equipment/Other Revenue (Sponsorship Funding for Viva CalleSJ)	-	\$20,000	\$20,000	\$20,000	-	-
	Non-Personal/Equipment/Other Revenue (AARP - Sponsorship Funding for Viva CalleSJ)	-	\$5,000	\$5,000	\$5,000	-	-
	Non-Personal/Equipment/Other Revenue (Lyft - Sponsorship Funding for Viva CalleSJ)	-	\$50,000	\$50,000	\$50,000	-	-
	Non-Personal/Equipment/Other Revenue (Stanford Children's Health - Sponsorship Funding for Viva CalleSJ)	-	\$10,000	\$10,000	\$10,000	-	-
	Non-Personal/Equipment/Revenue from Local Agencies (San José Clean Energy - Sponsorship Funding for Viva CalleSJ)	-	\$10,000	\$10,000	\$10,000	-	-
	Non-Personal/Equipment/Revenue from Local Agencies (Bay Area Air Quality Management District - Sponsorship Funding for Viva CalleSJ)	-	\$7,500	\$7,500	\$7,500	-	-
Planning, Building and Code Enforcement Department							
Grants-Reimbursements-Fees	Fire Development Fee Program - Personal Services	\$25,000	-	\$25,000	-	-	\$25,000
	Public Works Development Fee Program - Personal Services	\$50,000	-	\$50,000	-	-	\$50,000
	Planning Development Fee Program - Personal Services (Vacancy Savings)	(\$600,000)	-	(\$600,000)	-	-	(\$600,000)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
	Building Development Fee Program - Personal Services (Vacancy Savings)	(\$1,500,000)	-	(\$1,500,000)	-	-	(\$1,500,000)
	Building Development Fee Program - Non-Personal/Equipment (Contractual Services Savings)	-	(\$500,000)	(\$500,000)	-	-	(\$500,000)
Police Department							
	Grants-Reimbursements-Fees						
	Non-Personal/Equipment/Fees, Rates, and Charges (Temporary Police Board- Ups)	-	\$123,000	\$123,000	\$70,000	-	\$53,000
	Personal Services/Revenue from Federal Government (FBI SF Joint Terrorism Task Force)	\$13,129	-	\$13,129	\$13,129	-	-
	Personal Services/Revenue from Federal Government (FBI Safe Streets Task Force)	\$11,100	-	\$11,100	\$11,100	-	-
	Personal Services/Revenue from Local Agencies (Santa Clara Valley Water District)	\$50,000	-	\$50,000	\$50,000	-	-
Police Department							
	Clean-Up Actions						
	Tech Adjust: Personal Services (Salary and Benefits to Overtime Reallocation of \$6.0 million)	-	-	-	-	-	-
	Tech Adjust: Personal Services (Reallocation to Local Sales Tax - Personal Services for Overtime)	(\$4,000,000)	-	(\$4,000,000)	-	-	(\$4,000,000)
	Tech Adjust: Local Sales Tax - Personal Services (Reallocation from Personal Services for Overtime)	\$4,000,000	-	\$4,000,000	-	-	\$4,000,000
	Tech Adjust: Personal Services (Reallocation to Local Sales Tax Personal Services for Retention and Attraction)	(\$8,632,000)	-	(\$8,632,000)	-	-	(\$8,632,000)
	Tech Adjust: Local Sales Tax - Personal Services (Reallocation from Personal Services for Retention and Attraction)	\$8,632,000	-	\$8,632,000	-	-	\$8,632,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
DEPARTMENTAL EXPENSES							
Public Works Department							
Required Technical-Rebalancing Actions	Personal Services (Overages)	\$500,000	-	\$500,000	-	-	\$500,000
Transportation Department							
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Parking Citation Processing)	-	\$50,000	\$50,000	-	-	\$50,000
	Non-Personal/Equipment (Permit Center Printing Services)	-	\$57,000	\$57,000	-	-	\$57,000
	Personal Services (Vacancy Savings)	(\$107,000)	-	(\$107,000)	-	-	(\$107,000)
Transportation Department	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing Costs)	-	\$92,000	\$92,000	-	-	\$92,000
Clean-Up Actions	Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing Costs)	(\$92,000)	-	(\$92,000)	-	-	(\$92,000)
DEPARTMENTAL EXPENSES TOTAL		(\$2,869,853)	\$1,099,446	(\$1,770,407)	\$36,827,175	-	(\$38,597,582)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		USE			SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
CITY-WIDE EXPENSES							
Required Technical-Rebalancing Actions	Ethics Commission	-	\$30,000	\$30,000	-	-	\$30,000
	Property Tax Administration Fee	-	\$51,000	\$51,000	-	-	\$51,000
	Measure T Implementation	\$250,000	-	\$250,000	-	-	\$250,000
	Sanitary Sewer Fees	-	\$514,000	\$514,000	-	-	\$514,000
	Workers' Compensation Claims – Fire	-	(\$125,000)	(\$125,000)	-	-	(\$125,000)
	Workers' Compensation State License	-	(\$370,754)	(\$370,754)	-	-	(\$370,754)
	Workers' Compensation Claims - Police	-	\$125,000	\$125,000	-	-	\$125,000
	City Manager Special Projects (Reallocation from Non-Personal/Equipment)	-	\$65,000	\$65,000	-	-	\$65,000
	Arena Authority	-	\$15,000	\$15,000	-	-	\$15,000
	Library Grants/Revenue from State of California (California Library Association - Lunch at the Library Grant)	-	\$16,000	\$16,000	\$16,000	-	-
Grants-Reimbursements-Fees	Library Grants/Other Revenue (Public Library Association - Student Internship Grant)	\$3,500	-	\$3,500	\$3,500	-	-
	Library Grants/Revenue from Local Agencies (First 5 Santa Clara County Grant)	-	\$75,000	\$75,000	\$75,000	-	-
	Library Grants/Revenue from State of California (CLLS - Literacy for Adults)	-	\$672	\$672	\$672	-	-
	Public Participation Through Technology/Other Revenue	-	\$65,000	\$65,000	\$65,000	-	-
	2017 Flood - Building Permit and Inspection Fee Waivers	-	(\$131,784)	(\$131,784)	-	-	(\$131,784)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal	USE			SOURCE		NET COST		
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance			
CITY-WIDE EXPENSES								
		Digital Inclusion Program/Revenue from the Use of Money Property (Small Cell Lease Revenue)	-	(\$380,494)	(\$380,494)	(\$380,494)	-	-
		CITY-WIDE EXPENSES TOTAL	\$253,500	(\$51,360)	\$202,140	(\$220,322)	-	\$422,462

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
CAPITAL PROJECT EXPENSES							
Required Technical-Rebalancing Actions	Fire Training Center Environmental Monitoring	-	\$100,000	\$100,000	-	-	\$100,000
	City Hall Waterproofing	-	\$45,000	\$45,000	-	-	\$45,000
CAPITAL PROJECT EXPENSES TOTAL		-	\$145,000	\$145,000	-	-	\$145,000

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	Revenue	SOURCE Beg Fund Balance	NET COST
EARMARKED RESERVES							
Required Technical-Rebalancing Actions	Fire Training Center Replacement Reserve	-	\$36,835,000	\$36,835,000	-	-	\$36,835,000
	2018-2019 Ending Fund Balance Reserve	-	\$16,300,000	\$16,300,000	-	-	\$16,300,000
	2018-2019 Ending Fund Balance Reserve/Transfers and Reimbursements	-	\$7,820,000	\$7,820,000	\$7,820,000	-	-
	Public Works Development Fee Program Reserve/Fees, Rates, and Charges	-	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	-	-
	Grants-Reimbursements-Fees	-	\$150,000	\$150,000	-	-	\$150,000
	General Plan Update Reserve	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
	Public Works Development Fee Program Reserve	-	(\$25,000)	(\$25,000)	-	-	(\$25,000)
	Fire Development Fee Program Reserve	-	\$4,631,784	\$4,631,784	-	-	\$4,631,784
	Building Development Fee Program Reserve	-	(\$400,000)	(\$400,000)	-	-	(\$400,000)
	Planning Development Fee Program Reserve	-					
Clean-Up Actions	Tech Adjust: 2019-2020 Future Deficit Reserve (Reallocation from Local Sales Tax - 2019-2020 Future Deficit Reserve)	-	\$8,632,000	\$8,632,000	-	-	\$8,632,000
	Tech Adjust: Local Sales Tax - 2019-2020 Future Deficit Reserve (Reallocation to 2019-2020 Future Deficit Reserve)	-	(\$8,632,000)	(\$8,632,000)	-	-	(\$8,632,000)
		-					
EARMARKED RESERVES TOTAL		-	\$63,961,784	\$63,961,784	\$6,520,000	-	\$57,441,784

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal		Personal Services	USE Non-Personal/ Equipment	Total Use	SOURCE		NET COST
					Revenue	Beg Fund Balance	
REVENUE ADJUSTMENTS							
Required Technical-Rebalancing Actions	Revenue - Franchise Fees	-	-	-	(\$3,000,000)	-	\$3,000,000
	Revenue - Property Tax	-	-	-	\$3,500,000	-	(\$3,500,000)
	Revenue - Transient Occupancy Tax	-	-	-	\$1,000,000	-	(\$1,000,000)
	Revenue - Sales Tax	-	-	-	\$13,000,000	-	(\$13,000,000)
	Revenue - Utility Tax	-	-	-	(\$4,000,000)	-	\$4,000,000
	Revenue - Business Taxes	-	-	-	\$2,500,000	-	(\$2,500,000)
	Other Revenue (LED Streetlight Fixtures Conversion)	-	-	-	\$2,638	-	(\$2,638)
	Revenue - Use of Money and Property-		-	-	\$1,000,000	-	(\$1,000,000)
	Revenue - Revenue from the State of California	-	-	-	\$1,000,000	-	(\$1,000,000)
	Revenue - Transfers and Reimbursements	-	-	-	\$2,000,000	-	(\$2,000,000)
Grants-Reimbursements-Fees	Other Revenue (Knight Foundation)	-	-	-	\$99,447	-	(\$99,447)
	Revenue from State of California (Strike Team Reimbursements)	-	-	-	\$735,236	-	(\$735,236)
	Revenue from Federal Government (Task Force 3 Reimbursement)	-	-	-	\$74,343	-	(\$74,343)
	Licenses and Permits (Building Development Fee Program)	-	-	-	\$2,500,000	-	(\$2,500,000)
	Fees, Rates, and Charges (Planning Development Fee Program)	-	-	-	(\$1,000,000)	-	\$1,000,000
Clean-Up Actions	Tech Adjust: Revenue from Use of Money/Property (Reallocation from Other Revenue for Digital Inclusion Program)	-	-	-	\$750,000	-	(\$750,000)

General Fund
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal	USE			SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
REVENUE ADJUSTMENTS							
	Tech Adjust: Other Revenue (Reallocation to Revenue from Use of Money/Property for Digital Inclusion Program)	-	-	-	(\$750,000)	-	\$750,000
	REVENUE ADJUSTMENTS TOTAL	-	-	-	\$19,411,664	-	(\$19,411,664)
	TOTAL GENERAL FUND	(\$2,616,353)	\$65,154,870	\$62,538,517	\$62,538,517	-	-

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Airport Fiscal Agent Fund (525)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Transfer to the Airport Revenue Fund	Airport Department		\$352,000	
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This action increases the Transfer to the Airport Revenue Fund by \$352,000 (from \$100,000 to \$452,000). This increase releases interest that is not required for debt reserve to the Airport Revenue Fund. A corresponding adjustment to the Debt Service Reserve and in the Airport Revenue Fund is recommended elsewhere in this memorandum.

Debt Service Reserve	Airport Department		(\$352,000)	
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This action decreases the Debt Service Reserve by \$352,000 (from \$83,605,557 to \$83,253,557) to offset the action recommended elsewhere in this memorandum.

Airport Fiscal Agent Fund (525)

Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
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Operations Contingency	Airport Department		(\$24,000)	
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This action decreases the Operations Contingency by \$24,000 to offset an action recommended elsewhere in this memorandum.

Personal Services (Overage)	City Attorney's Office		\$24,000	
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This action increases the Office of the City Attorney's Personal Services appropriation by \$24,000 (from \$736,806 to \$760,806) to reflect higher than anticipated legal support costs. A corresponding decrease to the Operations Contingency appropriation is recommended to offset this action.

Airport Maintenance And Operation Fund (523)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/ Transfers and Reimbursements	Airport Department		\$352,000	\$352,000

This action increases the Transfer in from Airport Fiscal Agent Fund and the Airline Agreement Reserve by \$352,000 (from \$66,415,144 to \$66,767,144). This increase releases interest from the Airport Fiscal Agent Fund that is not required for debt reserve to the Airport Revenue Fund. Corresponding actions in the Airport Fiscal Agent Fund are recommended elsewhere in this memorandum.

Airport Revenue Fund (521)			\$352,000	\$352,000
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Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Benefits Funds - Benefit Fund (160)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
401(a) Defined Contribution Retirement Plan/Transfers and Reimbursements	Human Resources Department		\$4,000	\$4,000
<p>This action increases the 401(a) Defined Contribution Retirement Plan appropriation and corresponding estimate for Transfers and Reimbursements by \$4,000 (from \$185,000 to \$189,000) to address the slight increase in Unit 99 and Tier 3 enrollees which has increased the monthly expenditures. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Benefits Consultant Fee (Legal Consulting Services)	Human Resources Department		\$25,000	
<p>This action increases the Benefits Consultant Fee appropriation by \$25,000 to address costs associated with legal consulting services associated with Defined Contributions for 401 (a) retirement plan. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Benefits Consultant Fee (COBRA)	Human Resources Department		\$5,000	
<p>This action increases the Benefits Consultant Fee appropriation by \$5,000 to cover the cost of outsourcing the Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA was outsourced in May 2019 to alleviate program management requirements and liability to the City. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this report to offset this transaction.</p>				
Wellness Program/Other Revenue (Contractual Performance Guarantee Penalties)	Human Resources Department		\$161,762	\$161,762
<p>This action increases the Wellness Program appropriation and corresponding estimate for Other Revenue for Contractual Performance Guarantee Penalties by \$161,762. 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. These funds are recommended to be allocated to the Wellness Program appropriation to provide incentives to employees to participate in Wellness activities.</p>				

Special Funds Recommended Budget Adjustments Summary

2018-2019 Year-End Budget Review

Benefits Funds - Benefit Fund (160)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Human Resources Department		(\$30,000)	

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

Benefits Funds - Benefit Fund (160)			\$165,762	\$165,762
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Special Funds Recommended Budget Adjustments Summary 2018-2019 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 / Transfers and Reimbursements (Administration Fee)	Human Resources Department		\$22,000	\$22,000
<p>This action increases the Human Resources Department Non-Personal/Equipment appropriation by \$22,000 for higher actual administration fee charges due to an increase in the rate for this fee and an increase in enrollment since November 2018. This action is offset by an increase to the Transfers and Reimbursement revenue estimate to account for the higher reimbursements from City funds and Retirement funds based on actual enrollment.</p>				
Personal Services (Overage)	Human Resources Department		\$1,000	
<p>This action increases the Human Resources Department Personal Services appropriation by \$1,000 (from \$248,229 to \$249,229) to reflect higher than anticipated staff costs based on actual complement of staff. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Human Resources Department		(\$1,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.</p>				
Benefits Funds - Dental Insurance Fund (155)			\$22,000	\$22,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Benefits Funds - Life Insurance Fund (156)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Insurance Premiums / Fees, Rates, and Charges	Human Resources Department		\$45,000	\$45,000
<p>This action increases the Insurance Premiums appropriation and corresponding estimate for Fees, Rates, and Charges by \$45,000 to recognize participant contributions for voluntary life insurance. This reflects an enrollment increase effective January 2, 2019 from a one-time special Open Enrollment opportunity for Life Insurance without underwriting.</p>				
Benefits Funds - Life Insurance Fund (156)			\$45,000	\$45,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
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Non-Personal/Equipment (Temporary Staffing and Consulting Services)	Human Resources Department		\$17,229	
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This action increases the Human Resources Department Non-Personal/Equipment appropriation by \$17,229 (from \$15,271 to \$32,500) for unanticipated costs for temporary staffing and consulting support pertaining to actuarial services. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Human Resources Department		(\$17,229)	
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This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.

Benefits Funds - Self-Insured Medical Fund (158)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Benefits Funds - Unemployment Insurance Fund (157)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Human Resources Department		\$20,000	
This action increases the Human Resources Department Personal Services appropriation by \$20,000 (from \$139,047 to \$159,047) to reflect higher than anticipated staff costs based on actual complement of staff. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Human Resources Department		(\$20,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.				

Benefits Funds - Unemployment Insurance Fund (157)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from Federal Government	Housing Department			\$321,471

This action increases the estimate for Revenue from Federal Government by \$321,471 (from \$8.6 million to \$8.9 million) to align revenue with the 2018-2019 Community Development Block Grant annual allocation. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. Actions were taken as part of the 2017-2018 Annual Report to align expenditures with the Annual Action Plan, and the revenue adjustment was inadvertently omitted. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding increase to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.

Ending Fund Balance Adjustment	Housing Department		\$106,471	
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This action increases Ending Fund Balance to offset the actions recommended elsewhere in this memorandum.

Transportation Neighborhood Infrastructure Improvements	Transportation Department		\$215,000	
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This action increases the Transportation Neighborhood Infrastructure Improvements appropriation by \$215,000 (from \$400,000 to \$615,000) to accelerate the enhanced pedestrian crosswalks at the King Road and St. James Street intersection and the King Road and San Antonio street intersection. An action to decrease Ending Fund Balance is recommended in this memorandum to offset this action.

Community Development Block Grant Fund (441)			\$321,471	\$321,471
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Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Debt Service Payments for the Hayes Phase I	Finance Department		\$5,000	
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action increases the Debt Service Payment for the Hayes Phase I appropriation by \$5,000, from \$906,000 to \$911,000, to pay off remaining debt service costs for Series 2007A (Recreational Facilities Refunding) Bonds allocated to the Community Facilities Revenue Fund. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Debt Service Payments for the Hayes Phase III	Finance Department		\$24,697,000	
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action increases the Debt Service Payment for the Hayes Phase III appropriation by \$24,697,000, from \$4,235,000 to \$28,932,000, to pay off remaining debt service costs for Series 2008C and 2008D Bonds allocated to the Community Facilities Revenue Fund. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Hayes Close Out Costs	Finance Department		\$4,506,000	

This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action establishes an appropriation in the amount of \$4,506,000 for termination fees, net pro-ratio, construction loan pay off for Hayes Mansion Phase III improvements (Network Conference Center), credits, and other closing costs associated with the property sale. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Transfer to the General Fund	Finance Department		\$7,820,000	
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action increases the transfer to the General Fund by \$7.82 million, from \$45,000 to \$7.87 million, to reimburse the General Fund for the financing of capital improvements, operations and debt service requirements for the Hayes Mansion, consistent with estimates included in the development of 2019-2020 Proposed Operating Budget. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Ending Fund Balance Adjustment	Finance Department		(\$1,272,568)	
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This action adjusts the Ending Fund Balance to offset the actions recommended actions in this memorandum.

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Other Revenue (Debt Service Reserve Releases)	Finance Department			\$5,900,000

This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action increases the estimate for Other Revenue by \$5.9 million to recognize the release of debt service reserves that were held for San Jose Financing Authority issued Lease Revenue Bonds Series 2008C and 2008D. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Other Revenue (Hayes Property Sale Proceeds)	Finance Department			\$30,240,000
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action increases the estimate for Other Revenue by \$30.2 million to recognize proceeds from the sale of the Hayes Mansion for the disposition of the property. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Hayes Close Out Costs Reserve	Finance Department		\$2,635,000	
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action establishes the Hayes Close Out Costs Reserve in the amount of \$2,635,000 for any potential close out costs to be incurred in 2019-2020, which is partially comprised of funds from the Hayes Capital Improvement Reserve (\$2,250,432) that are no longer required. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Community Facilities Revenue Fund (422)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Hayes Capital Improvement Reserve	Finance Department		(\$2,250,432)	

This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action eliminates the Hayes Capital Improvement Reserve of \$2,250,432 in accordance with the sale of the Hayes Mansion property. Associated funding is recommended for reallocation to the Hayes Close Out Costs Reserve for any potential close out costs to be incurred in 2019-2020. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Operating/Debt Subsidy/Other Revenue (Hayes I and II Debt-Related Payment)	Finance Department		(\$2,000,000)	(\$2,000,000)
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This action is part of a series of adjustments for 2018-2019 reflecting the transactions necessary to effect the sale of the Hayes Mansion, recognize corresponding proceeds, pay-off outstanding debt, and budget for close-out and other settlement costs consistent with the closing statement. This specific action reduces the Operating/Debt Subsidy appropriation and corresponding estimate for Hayes I and II Debt-Related Payments (Other Revenue) by \$2.0 million, consistent with projected receipts and expenses for 2018-2019 and sale of the Hayes Mansion property. Additional actions are recommended in this memorandum to effect all required transactions associated with this property sale.

Community Facilities Revenue Fund (422)			\$34,140,000	\$34,140,000
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Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
Convention Center Facilities District Special Tax	Finance Department			\$2,018,000
<p>This action increases estimated Convention Center Facilities District Special Tax revenue by \$2.0 million (from \$15.3 million to \$17.3 million), consistent with year-to-date receipts and projected collections for the remainder of 2018-2019. This estimate, and offsetting increase to the Ending Fund Balance, was assumed in the development of the 2019-2020 Proposed Operating Budget, and recommended allocation of funds.</p>				
Ending Fund Balance Adjustment	Finance Department		\$2,018,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended actions in this memorandum.</p>				
Convention Center Facilities District Revenue Fund (791)			\$2,018,000	\$2,018,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Downtown Property And Business Improvement District Fund (302)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Downtown Property and Business Improvement District	Transportation Department		\$26,093	
<p>This action increases the Downtown Property and Business Improvement District appropriation by \$26,093 (from \$2.80 million to \$2.83 million) for payment to the San José Downtown and Property Business Improvement District (PBID) due to revenues received from the sale of properties owned by the Successor Agency to the Redevelopment Agency (SARA). Because SARA had insufficient funds, payments for PBID assessments could not be paid. When the properties were sold, back PBID payments were paid from the property sale proceeds. This adjustment will allow the payment to be made to the PBID. A corresponding decrease to Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$26,093)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.</p>				

Downtown Property And Business Improvement District Fund (302)

Special Funds Recommended Budget Adjustments Summary 2018-2019 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		\$176,508	\$176,508

This action increases the Library – General Gifts appropriation and estimate for Other Revenue by \$176,508 to recognize and appropriate gifts made by various donors, including Almaden Valley Women's Club, City of San Jose Council District 1, County of Santa Clara Warrant, Friends of Library groups, King Library Trust Fund, the San José Library Foundation, and 13th Street Neighborhood, in support of the following: Almaden Branch Library (\$2,127); Alviso Branch Library (\$200); Alum Rock Branch Library (\$1,322); Bascom Branch Library (\$1,650); Berryessa Branch Library (\$3,000); Biblioteca Latinoamericana Branch Library (\$10,000); Cambrian Branch Library (\$2,055); Calabazas Branch Library (\$6,755); Dr. Martin Luther King, Jr. Library (\$15,760); East San José Carnegie Branch Library (\$10,250); Educational Park Branch Library (\$800); Edenvale Branch Library (\$10); Evergreen Branch Library (\$2,988); Joyce Ellington Branch Library (\$13,301); Partners in Reading program (\$5,030); Pearl Avenue Branch Library (\$4,285); Rose Garden Branch Library (\$3,020); San Jose Public Library On-line High School (\$11,383); Santa Teresa Branch Library (\$1,375); Seven Trees Branch Library (\$3,088); Teen Center (\$711); Tully Branch Library (\$2,072); Vineland Branch Library (\$6,550); Village Square Branch Library (\$3,500); Willow Glen Branch Library (\$5,577); Council District 1 - West Valley Branch Library AV Projector and other programming supplies (\$51,899); and West Valley Branch Library (\$7,800).

Gift Trust Fund (139)

\$176,508 \$176,508

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Home Investment Partnership Program Trust Fund (445)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Fair Housing Legal and Education Services)	Housing Department		\$100,000	
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This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$100,000 (from \$146,714 to \$246,714) to fund an increase to the fair housing legal and education services agreement with the Law Foundation of Silicon Valley. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.

Ending Fund Balance Adjustment	Housing Department		(\$100,000)	
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This action decreases Ending Fund Balance to offset the action recommended elsewhere in this memorandum.

Home Investment Partnership Program Trust Fund (445)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Housing Trust Fund (440)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Other Revenue (Bond Administration Fees)	Housing Department			\$700,000
This action increases the estimate for Other Revenue by \$700,000 (from \$700,000 to \$1.4 million) as a result of the higher than forecasted collection of Bond Administration fees. A corresponding increase to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.				
Ending Fund Balance Adjustment	Housing Department		\$700,000	
This action increases Ending Fund Balance to offset the actions recommended elsewhere in this memorandum.				
Housing Trust Fund (440)			\$700,000	\$700,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Single-Family Recycle Plus (Overage)	Environmental Services Department		\$250,000	
This action increases the Single-Family Recycle Plus appropriation in the Integrated Waste Management Fund by \$250,000 (from \$56,868,596 to \$57,118,596) to account for additional unanticipated expenditures projected through the end of the year. These additional costs are due to higher than anticipated adoption rates of single family dwelling large item collection services. This action is offset by the recognition of savings in the Single Family Dwelling Processing appropriation recommended elsewhere in this memorandum.				
Personal Services (Overage)	Human Resources Department		\$3,000	
This action increases the Human Resources Department Personal Services appropriation by \$3,000 (from \$27,223 to \$30,223) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Overage)	City Attorney's Office		\$10,000	
This action increases the Office of the City Attorney's Personal Services appropriation by \$10,000 (from \$52,802 to \$62,802) to reflect higher than anticipated legal support costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$100,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				
Personal Services (Overage)	Planning, Building and Code Enforcement Department		\$15,000	
This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation by \$15,000 (from \$238,131 to \$253,131) to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for higher retirement costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				

Special Funds Recommended Budget Adjustments Summary 2018-2019 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)	Public Works Department		\$70,000	

This action increases the Public Works Department Personal Services appropriation by \$70,000 (from \$119,950 to \$189,950) to support higher than anticipated retirement costs. The higher than anticipated retirement cost is primarily due to a greater proportion of Tier 1 employees than assumed in the 2018-2019 Adopted Budget. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum.

Single Family Dwelling Processing	Environmental Services Department		(\$250,000)	
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This action reduces the Single Family Dwelling Processing appropriation in the Integrated Waste Management Fund by \$250,000 (from \$15,082,325 to \$14,832,325) to recognize savings due to slightly decreased service needs across the City, and offsetting an increase to the Single-Family Recycle Plus appropriation.

Non-Personal/Equipment (Engineering Services)	Public Works Department		\$2,000	
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This action increases the Public Works Department Non-Personal Equipment funding by \$2,000 (from \$6,618 to \$8,618) to cover increased Public Works Engineering Services activity in 2018-2019. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum.

Integrated Waste Management Fund (423)

Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
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Non-Personal/Equipment (STiR Asset Management Software Project)	Housing Department		\$50,000	
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This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$50,000 (from \$1,345,605 to \$1,395,605) for a Digital Strategy developed as a Startup in Residence (STiR) project. These funds will allow the development of a proof of concept for a data integration and management platform for Housing Department employees to manage affordable housing portfolio compliance. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.

Personal Services (Overage)	Human Resources Department		\$2,000	
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This action increases the Human Resources Department Personal Services appropriation by \$2,000 (from \$25,623 to \$27,623) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Personal Services (Overage)	Housing Department		\$500,000	
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This action increases the Personal Services appropriation to the Housing Department by \$500,000 (from \$6,649,478 to \$7,149,478) to primarily account for Asset Management staff expenses initially budgeted in the Multi-Source Housing Fund, as well as a number of Public Works expenses for cubicle installation and community meetings. Due to a shortfall in the Multifamily fees that pay for these expenses in the Multi-Source Housing Fund, expenses for Asset Management staff are recommended for reallocation to the Low and Moderate Income Housing Asset Fund. Corresponding adjustments to the Ending Fund Balance in the Low and Moderate Income Housing Asset Fund and the Multi-Source Housing Fund are recommended to offset this action elsewhere in this memorandum.

Special Funds Recommended Budget Adjustments Summary 2018-2019 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)	Planning, Building and Code Enforcement Department		\$10,000	
<p>This action increases the Planning, Building and Code Enforcement Department Personal Services appropriation by \$10,000 (from \$147,667 to \$157,667) to provide partial funding for temporary staffing in the Planning, Building, and Code Enforcement Department as part of shared resources and to account for higher retirement costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Housing Department		\$15,438,000	
<p>This action increases Ending Fund Balance to offset the actions recommended elsewhere in this memorandum.</p>				
Revenue From Use of Money/Property	Housing Department			\$16,000,000
<p>This action increases the estimate for Revenue from Use of Money/Property by \$16.0 million (from \$18.8 million to \$34.8 million) as a result of the higher than forecasted loan repayments and interest earnings. This higher collection level was assumed in the development of the 2019-2020 Proposed Operating Budget. A corresponding increase to the Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.</p>				
Low And Moderate Income Housing Asset Fund (346)			\$16,000,000	\$16,000,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Maintenance District No. 1 (Los Paseos) Fund (352)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Concrete Safety Repair Project)	Transportation Department		\$49,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$49,000 for unexpected concrete repairs in Maintenance District 1 (Los Paseos). The repairs included demolition of uneven sidewalk and replacement of the concrete with temporary black asphalt patching. Funds are included in the 2019-2020 Proposed Operating Budget to complete repairs with permanent concrete. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$49,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.</p>				

Maintenance District No. 1 (Los Paseos) Fund (352)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Emergency Shelter Grant/Revenue from Federal Government	Housing Department		\$124,764	\$124,764
<p>This action increases the Emergency Shelter Grant appropriation and the corresponding increase to the Revenue from Federal Government estimate by \$124,764 to provide a portion of funding for a homeless prevention agreement for victims of domestic violence contract (\$247,761) with the Bill Wilson Center. The remaining amount of \$122,997 is already funded from the current year Emergency Shelter Grant allocation.</p>				
Personal Services/Fees, Rates, and Charges	Housing Department		(\$400,000)	(\$400,000)
<p>This action decreases the Housing Department Personal Services and the Fees, Rates, and Charges estimate by \$400,000 to account for lower than budgeted receipts from the Multifamily fees. Personal Services expenses are being reallocated to the Low and Moderate Income Housing Asset Fund and corresponding actions in the Low and Moderate Income Housing Asset Fund are recommended to offset this actions elsewhere in this memorandum.</p>				
Multi-Source Housing Fund (448)			(\$275,236)	(\$275,236)

Special Funds Recommended Budget Adjustments Summary 2018-2019 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 Adjustment This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.	Parks, Recreation and Neighborhood Services Department		(\$50,000)	
Rancho del Pueblo Golf Course This action increases the Rancho del Pueblo Golf Course appropriation by \$50,000 (from \$500,000 to \$550,000) 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.	Parks, Recreation and Neighborhood Services Department		\$50,000	

Municipal Golf Course Fund (518)

Special Funds Recommended Budget Adjustments Summary 2018-2019 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/Transfers and Reimbursements (Compensated Absence)	Public Works Department		\$600,000	\$600,000

This action increases the Compensated Time Off appropriation by \$600,000 (from \$9.6 million to \$10.2 million) to provide funding for higher than anticipated usage of Leave Balance Pay and the Vacation Sell Back program in 2018-2019. A corresponding increase to the Transfers and Reimbursements is recommended to offset the cost.

Public Works Program Support Fund (150)			\$600,000	\$600,000
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Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
<p>Operations and Maintenance Reserve</p> <p>This action eliminates the Operations and Maintenance Reserve of \$20.0 million as actual operations in 2018-2019 are not anticipated to generate this reserve. With Clean Energy program operations underway, actual activity level thus far provides more meaningful data to better project anticipated energy sales revenue and cost of energy in the Clean Energy Fund. Under the terms of the credit agreement with Barclays Bank PLC, the Operations and Maintenance Reserve must reach \$20.0 million by December 31, 2019, which SJCE anticipates achieving in 2019-2020; however, this reserve level will not be met in 2018-2019. This action is offset by a recommended decrease to the revenue estimate for Financing Proceeds.</p>	Community Energy Department		(\$20,000,000)	
<p>Financing Proceeds</p> <p>This action eliminates the estimate for Financing Proceeds in the amount of \$20.0 million. Financing Proceeds reflect the funds available to the Community Energy Department (SJCE) through the revolving credit agreement with Barclays Bank, PLC to finance start-up costs and other operating costs, and purchase power under power purchase agreements. With Clean Energy program operations now underway, actual activity level provides more meaningful data to better project anticipated energy sales revenue and cost of energy in the Clean Energy Fund. SJCE does not anticipate a need to draw funds from the credit facility in 2018-2019. As a result, an action to reduce Financing Proceeds is recommended. This action is offset by a recommended decrease to the Operations and Maintenance Reserve.</p>	Community Energy Department			(\$20,000,000)

**Special Funds Recommended Budget Adjustments Summary
2018-2019 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>
State Electrical Energy Surcharge/Fees, Rates, and Charges (State Electrical Energy Surcharge)	Community Energy Department		\$500,000	\$500,000

This action establishes a State Electrical Energy Surcharge allocation and a corresponding estimate for Fees, Rates, and Charges in the amount of \$500,000 to recognize revenue and allocate funding for the payment owed to the State. The State Electrical Energy Surcharge is an amount assessed and collected from each energy consumer of an electric utility beginning on and after January 1, 1975. The entire amount collected must be remitted to the State of California; this transaction is a pass-through from the consumer to the State. This action estimates the amount owed in 2018-2019, based on projected Clean Energy Program revenue through the end of 2018-2019, since the launch of service. This action is offset by an adjustment to the Fees, Rates, and Charges revenue estimate.

San José Clean Energy Operating Fund (501)	(\$19,500,000)	(\$19,500,000)
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Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
Inventory	Environmental Services Department		\$50,000	
<p>This action increases the Inventory appropriation in the San José-Santa Clara Treatment Plant Operating Fund by \$50,000 (from \$600,000 to \$650,000) to account for additional expenditures required through the end of the year. This overage is caused by inventory item price fluctuations, increased inventory requirements for certain critical items, and increased item usage due to increased construction activity at the San José-Santa Clara Water Treatment Plant. This action is offset by a corresponding action recognizing savings in the Personal Services appropriation to the Environmental Services Department recommended elsewhere in this memorandum.</p>				
Personal Services (Overage)	Human Resources Department		\$7,000	
<p>This action increases the Human Resources Department Personal Services appropriation by \$7,000 (from \$338,370 to \$345,370) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$87,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.</p>				
Personal Services (Vacancy Savings)	Environmental Services Department		(\$50,000)	
<p>This action decreases the Personal Services appropriation to the Environmental Services Department by \$50,000 (from \$55,491,879 to \$55,441,879) to recognize vacancy savings. These savings are recommended to be used to offset the increase in the Inventory appropriation.</p>				
Personal Services (Overage)	Public Works Department		\$80,000	
<p>This action increases the Public Works Department Personal Services appropriation by \$80,000 (from \$82,236 to \$162,236) to support higher than anticipated retirement costs. The higher than anticipated retirement cost is primarily due to a greater proportion of Tier 1 employees than assumed in the 2018-2019 Adopted Operating Budget. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>				

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

Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
Non-Personal/Equipment/Fees, Rates, and Charges (Sanitary Sewer Repairs)	Transportation Department		\$14,700	\$14,700
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation and corresponding estimate for Fees, Rates, and Charges by \$14,700. The increase covers supplies and equipment costs incurred to perform emergency or clean-ups for private property owners. The property owners have reimbursed the City for the work.</p>				
Personal Services (Overage)	Human Resources Department		\$2,000	
<p>This action increases the Human Resources Department Personal Services appropriation by \$2,000 (from \$28,576 to \$30,576) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$242,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.</p>				
Non-Personal/Equipment (Water Utility Costs)	Transportation Department		\$80,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$80,000 (from \$6.4 million to \$6.5 million) for higher water utility costs due to water rates increasing more than the assumed amount. A corresponding decrease to the Ending Fund Balance is recommended in this memorandum to offset this action.</p>				
Personal Services (Overage)	City Attorney's Office		\$160,000	
<p>This action increases the Office of the City Attorney's Personal Services appropriation by \$160,000 (from \$530,071 to \$690,071) to reflect higher than anticipated legal support costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Sewer Service And Use Charge Fund (541)			\$14,700	\$14,700

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

South Bay Water Recycling Operating Fund (570)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SCVWD - Advanced Water Treatment	Environmental Services Department		\$2,800,000	
<p>This action increases the SCVWD - Advanced Water Treatment appropriation in the South Bay Water Recycling Operating Fund by \$2,800,000 (from \$500,000 to \$3,300,000) in order to adhere to the agreement between the City and the Santa Clara Valley Water District which stipulates that a portion of the difference between recycled water revenues and total operating expenses for the recycled water system be remitted to the Santa Clara Valley Water District to fund the Advanced Water Treatment system operated by the District. Actions to offset this increase are recommended elsewhere in this memorandum.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$174,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.</p>				
Fees, Rates, and Charges	Environmental Services Department			\$1,460,000
<p>This action increases the estimate for Fees, Rates, and Charges by \$1,460,000 (from \$12,540,000 to \$14,000,000) to recognize additional revenue from the sale of recycled water to four local entities: the City of Santa Clara, the City of Milpitas, the San Jose Water Company, and the City of San José Municipal Water System.</p>				
Personal Services (Vacancy Savings)	Environmental Services Department		(\$200,000)	
<p>This action decreases the Personal Services appropriation to the Environmental Services Department in the South Bay Water Recycling Operating Fund by \$200,000 (from \$4,437,140 to \$4,237,140) to recognize vacancy savings due to budgeted, vacant positions allocated to this appropriation.</p>				
Operations and Maintenance Reserve	Environmental Services Department		(\$966,000)	
<p>This action decreases the Operations and Maintenance Reserve in the South Bay Water Recycling Operating Fund by \$966,000 (from \$1,287,815 to \$321,815). This action offsets a portion of additional actions affecting the South Bay Water Recycling Operating Fund operating expenses to ensure the maintenance of a healthy fund balance.</p>				
South Bay Water Recycling Operating Fund (570)			\$1,460,000	\$1,460,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Storm Sewer Operating Fund (446)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Workers' Compensation Claims	Human Resources Department		\$5,000	
This action increases the Workers' Compensation Claims appropriation by \$5,000 (from \$115,000 to \$120,000) based on actual expenditure trends. The higher Workers' Compensation Claims are due to higher than anticipated settlement activities and medical treatment costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Overage)	Human Resources Department		\$1,500	
This action increases the Human Resources Department Personal Services appropriation by \$1,500 (from \$56,481 to \$57,981) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$6,500)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				

Storm Sewer Operating Fund (446)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transient Occupancy Tax	City Manager - Office of Economic Development			\$1,907,000
<p>This action increases estimated Transient Occupancy Tax revenue by \$1.9 million (from \$29.3 million to \$31.2 million), consistent with year-to-date receipts and projected collections for the remainder of 2018-2019. This estimate reflects a \$300,000 decrease from the estimate used for development of the 2019-2020 Proposed Operating Budget. An increase to the Ending Fund Balance is recommended elsewhere in this memorandum to offset this action.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development		\$1,907,000	
<p>This action increases the Ending Fund Balance to offset the action recommended elsewhere in this memorandum.</p>				
Transient Occupancy Tax Fund (461)			\$1,907,000	\$1,907,000

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Vehicle Maintenance And Operations Fund (552)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Fleet)	Public Works Department		\$100,000	
This action increases Non-Personal Equipment funding by \$100,000 (from \$1,572,143 to \$1,672,143). This increase covers an unanticipated repair needed for an Aircraft Rescue and Firefighting unit. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum.				
Personal Services (Overage)	Human Resources Department		\$25,000	
This action increases the Human Resources Department Personal Services appropriation by \$25,000 (from \$56,147 to \$81,147) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Public Works Department		(\$125,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				

Vehicle Maintenance And Operations Fund (552)

Special Funds Recommended Budget Adjustments Summary 2018-2019 Year-End Budget Review

Water Utility Fund (515)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Overage)	Human Resources Department		\$2,000	
This action increases the Human Resources Department Personal Services appropriation by \$2,000 (from \$15,122 to \$17,122) to reflect higher than anticipated staff costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Personal Services (Overage)	City Attorney's Office		\$5,000	
This action increases the Office of the City Attorney's Personal Services appropriation by \$10,000 (from \$52,802 to \$62,802) to reflect higher than anticipated legal support costs. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.				
Ending Fund Balance Adjustment	Environmental Services Department		(\$7,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this memorandum.				

Water Utility Fund (515)

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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	Transfer to the Airport Revenue Fund	-	-	\$352,000	-	\$352,000	-	-	\$352,000
	Debt Service Reserve	-	-	(\$352,000)	-	(\$352,000)	-	-	(\$352,000)
Budget Adjustments Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Airport Fiscal Agent Fund (525) TOTAL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Airport Maintenance And Operation Fund (523)									
Budget Adjustments									
Airport Department	Operations Contingency	-	-	(\$24,000)	-	(\$24,000)	-	-	(\$24,000)
	Personal Services (Overage)	\$24,000	-	-	-	\$24,000	-	-	\$24,000
Budget Adjustments Total		\$24,000	\$0	(\$24,000)	\$0	\$0	\$0	\$0	\$0
Airport Maintenance And Operation Fund (523) TOTAL		\$24,000	\$0	(\$24,000)	\$0	\$0	\$0	\$0	\$0
Airport Revenue Fund (521)									
Budget Adjustments									
Airport Department	Airline Agreement Reserve/Transfers and Reimbursements	-	-	\$352,000	-	\$352,000	\$352,000	-	-
	Budget Adjustments Total	\$0	\$0	\$352,000	\$0	\$352,000	\$352,000	\$0	\$0
Airport Revenue Fund (521) TOTAL		\$0	\$0	\$352,000	\$0	\$352,000	\$352,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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	401(a) Defined Contribution Retirement Plan/Transfers and Reimbursements	-	-	\$4,000	-	\$4,000	\$4,000	-	-
	Benefits Consultant Fee (Legal Consulting Services)	-	-	\$25,000	-	\$25,000	-	-	\$25,000
	Benefits Consultant Fee (COBRA)	-	-	\$5,000	-	\$5,000	-	-	\$5,000
	Wellness Program/Other Revenue (Contractual Performance Guarantee Penalties)	-	-	\$161,762	-	\$161,762	\$161,762	-	-
	Ending Fund Balance Adjustment	-	-	-	(\$30,000)	(\$30,000)	-	-	(\$30,000)
	Budget Adjustments Total	\$0	\$0	\$195,762	(\$30,000)	\$165,762	\$165,762	\$0	\$0
	Benefits Funds - Benefit Fund (160) TOTAL	\$0	\$0	\$195,762	(\$30,000)	\$165,762	\$165,762	\$0	\$0
Benefits Funds - Dental Insurance Fund (155)									
Budget Adjustments									
Human Resources Department	Non-Personal/Equipment / Transfers and Reimbursements (Administration Fee)	-	\$22,000	-	-	\$22,000	\$22,000	-	-
	Personal Services (Overage)	\$1,000	-	-	-	\$1,000	-	-	\$1,000
	Ending Fund Balance Adjustment	-	-	-	(\$1,000)	(\$1,000)	-	-	(\$1,000)
	Budget Adjustments Total	\$1,000	\$22,000	\$0	(\$1,000)	\$22,000	\$22,000	\$0	\$0
	Benefits Funds - Dental Insurance Fund (155) TOTAL	\$1,000	\$22,000	\$0	(\$1,000)	\$22,000	\$22,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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 - Life Insurance Fund (156)									
Budget Adjustments									
Human Resources									
Department	Insurance Premiums / Fees, Rates, and Charges	-	-	\$45,000	-	\$45,000	\$45,000	-	-
	Budget Adjustments Total	\$0	\$0	\$45,000	\$0	\$45,000	\$45,000	\$0	\$0
	Benefits Funds - Life Insurance Fund (156) TOTAL	\$0	\$0	\$45,000	\$0	\$45,000	\$45,000	\$0	\$0
Benefits Funds - Self-Insured Medical Fund (158)									
Budget Adjustments									
Human Resources									
Department	Non-Personal/Equipment (Temporary Staffing and Consulting Services)	-	\$17,229	-	-	\$17,229	-	-	\$17,229
	Ending Fund Balance Adjustment	-	-	-	(\$17,229)	(\$17,229)	-	-	(\$17,229)
	Budget Adjustments Total	\$0	\$17,229	\$0	(\$17,229)	\$0	\$0	\$0	\$0
	Benefits Funds - Self-Insured Medical Fund (158) TOTAL	\$0	\$17,229	\$0	(\$17,229)	\$0	\$0	\$0	\$0
Benefits Funds - Unemployment Insurance Fund (157)									
Budget Adjustments									
Human Resources									
Department	Personal Services (Overage)	\$20,000	-	-	-	\$20,000	-	-	\$20,000
	Ending Fund Balance Adjustment	-	-	-	(\$20,000)	(\$20,000)	-	-	(\$20,000)
	Budget Adjustments Total	\$20,000	\$0	\$0	(\$20,000)	\$0	\$0	\$0	\$0
	Benefits Funds - Unemployment Insurance Fund (157) TOTAL	\$20,000	\$0	\$0	(\$20,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Community Development Block Grant Fund (441)									
Budget Adjustments									
Housing Department	Revenue from Federal Government	-	-	-	-	-	\$321,471	-	(\$321,471)
	Ending Fund Balance Adjustment	-	-	-	\$106,471	\$106,471	-	-	\$106,471
Transportation Department	Transportation Neighborhood Infrastructure Improvements	-	-	\$215,000	-	\$215,000	-	-	\$215,000
	Budget Adjustments Total	\$0	\$0	\$215,000	\$106,471	\$321,471	\$321,471	\$0	\$0
	Community Development Block Grant Fund (441) TOTAL	\$0	\$0	\$215,000	\$106,471	\$321,471	\$321,471	\$0	\$0
Community Facilities Revenue Fund (422)									
Clean-Up Actions									
Finance Department	Tech Adjust: Beginning Fund Balance - Hayes Capital Improvement Reserve (Reallocation from Beginning Fund Balance)	-	-	-	-	-	-	\$50,793	(\$50,793)
	Tech Adjust: Beginning Fund Balance (Reallocation to Beginning Fund Balance - Hayes Capital Improvement Reserve)	-	-	-	-	-	-	(\$50,793)	\$50,793
	Fund Balance Reconciliation	-	-	-	\$1	\$1	-	\$1	-
	Clean-Up Actions TOTAL	\$0	\$0	\$0	\$1	\$1	\$0	\$1	\$0
Budget Adjustments									
Finance Department	Debt Service Payments for the Hayes Phase I	-	-	\$5,000	-	\$5,000	-	-	\$5,000
	Debt Service Payments for the Hayes Phase III	-	-	\$24,697,000	-	\$24,697,000	-	-	\$24,697,000
	Hayes Close Out Costs	-	-	\$4,506,000	-	\$4,506,000	-	-	\$4,506,000
	Transfer to the General Fund	-	-	\$7,820,000	-	\$7,820,000	-	-	\$7,820,000

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Ending Fund Balance Adjustment	-	-	-	(\$1,272,568)	(\$1,272,568)	-	-	(\$1,272,568)
Other Revenue (Debt Service Reserve Releases)	-	-	-	-	-	\$5,900,000	-	(\$5,900,000)
Other Revenue (Hayes Property Sale Proceeds)	-	-	-	-	-	\$30,240,000	-	(\$30,240,000)
Hayes Close Out Costs Reserve	-	-	\$2,635,000	-	\$2,635,000	-	-	\$2,635,000
Hayes Capital Improvement Reserve	-	-	(\$2,250,432)	-	(\$2,250,432)	-	-	(\$2,250,432)
Operating/Debt Subsidy/Other Revenue (Hayes I and II Debt- Related Payment)	-	-	(\$2,000,000)	-	(\$2,000,000)	(\$2,000,000)	-	-
Budget Adjustments Total	\$0	\$0	\$35,412,568	(\$1,272,568)	\$34,140,000	\$34,140,000	\$0	\$0
Community Facilities Revenue Fund (422) TOTAL	\$0	\$0	\$35,412,568	(\$1,272,567)	\$34,140,001	\$34,140,000	\$1	\$0

Convention Center Facilities District Revenue Fund (791)

Budget Adjustments

Finance Department	Convention Center Facilities District Special Tax	-	-	-	-	-	\$2,018,000	-	(\$2,018,000)
	Ending Fund Balance Adjustment	-	-	-	\$2,018,000	\$2,018,000	-	-	\$2,018,000
	Budget Adjustments Total	\$0	\$0	\$0	\$2,018,000	\$2,018,000	\$2,018,000	\$0	\$0
	Convention Center Facilities District Revenue Fund (791) TOTAL	\$0	\$0	\$0	\$2,018,000	\$2,018,000	\$2,018,000	\$0	\$0

Downtown Property And Business Improvement District Fund (302)

Budget Adjustments

Transportation Department	Downtown Property and Business Improvement District	-	-	\$26,093	-	\$26,093	-	-	\$26,093
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Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Ending Fund Balance Adjustment		-	-	-	(\$26,093)	(\$26,093)	-	-	(\$26,093)
Budget Adjustments Total		\$0	\$0	\$26,093	(\$26,093)	\$0	\$0	\$0	\$0
Downtown Property And Business Improvement District Fund (302) TOTAL		\$0	\$0	\$26,093	(\$26,093)	\$0	\$0	\$0	\$0
Gift Trust Fund (139)									
Budget Adjustments									
Library Department	Library - General Gifts/Other Revenue	-	-	\$176,508	-	\$176,508	\$176,508	-	-
Budget Adjustments Total		\$0	\$0	\$176,508	\$0	\$176,508	\$176,508	\$0	\$0
Gift Trust Fund (139) TOTAL		\$0	\$0	\$176,508	\$0	\$176,508	\$176,508	\$0	\$0
Home Investment Partnership Program Trust Fund (445)									
Budget Adjustments									
Housing Department	Non-Personal/Equipment (Fair Housing Legal and Education Services)	-	\$100,000	-	-	\$100,000	-	-	\$100,000
Ending Fund Balance Adjustment		-	-	-	(\$100,000)	(\$100,000)	-	-	(\$100,000)
Budget Adjustments Total		\$0	\$100,000	\$0	(\$100,000)	\$0	\$0	\$0	\$0
Home Investment Partnership Program Trust Fund (445) TOTAL		\$0	\$100,000	\$0	(\$100,000)	\$0	\$0	\$0	\$0
Housing Trust Fund (440)									
Budget Adjustments									
Housing Department	Other Revenue (Bond Administration Fees)	-	-	-	-	-	\$700,000	-	(\$700,000)
Ending Fund Balance Adjustment		-	-	-	\$700,000	\$700,000	-	-	\$700,000
Budget Adjustments Total		\$0	\$0	\$0	\$700,000	\$700,000	\$700,000	\$0	\$0
Housing Trust Fund (440) TOTAL		\$0	\$0	\$0	\$700,000	\$700,000	\$700,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Ice Centre Revenue Fund (432)									
Clean-Up Actions									
City Manager - Office of Economic Development									
	Fund Balance Reconciliation	-	-	-	\$2	\$2	-	\$2	-
	Clean-Up Actions TOTAL	\$0	\$0	\$0	\$2	\$2	\$0	\$2	\$0
	Ice Centre Revenue Fund (432) TOTAL	\$0	\$0	\$0	\$2	\$2	\$0	\$2	\$0
Integrated Waste Management Fund (423)									
Budget Adjustments									
D-7	City Attorney's Office	Personal Services (Overage)	\$10,000	-	-	\$10,000	-	-	\$10,000
	Environmental Services Department	Single-Family Recycle Plus (Overage)	-	\$250,000	-	\$250,000	-	-	\$250,000
		Ending Fund Balance Adjustment	-	-	(\$100,000)	(\$100,000)	-	-	(\$100,000)
	Human Resources Department	Single Family Dwelling Processing	-	(\$250,000)	-	(\$250,000)	-	-	(\$250,000)
		Personal Services (Overage)	\$3,000	-	-	\$3,000	-	-	\$3,000
	Planning, Building and Code Enforcement Department	Personal Services (Overage)	\$15,000	-	-	\$15,000	-	-	\$15,000
	Public Works Department	Personal Services (Overage)	\$70,000	-	-	\$70,000	-	-	\$70,000
		Non-Personal/Equipment (Engineering Services)	-	\$2,000	-	\$2,000	-	-	\$2,000
	Budget Adjustments Total		\$98,000	\$2,000	\$0	(\$100,000)	\$0	\$0	\$0
	Integrated Waste Management Fund (423) TOTAL		\$98,000	\$2,000	\$0	(\$100,000)	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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									
Housing Department	Non-Personal/Equipment (STiR Asset Management Software Project)	-	\$50,000	-	-	\$50,000	-	-	\$50,000
	Personal Services (Overage)	\$500,000	-	-	-	\$500,000	-	-	\$500,000
	Ending Fund Balance Adjustment	-	-	-	\$15,438,000	\$15,438,000	-	-	\$15,438,000
	Revenue From Use of Money/Property	-	-	-	-	-	\$16,000,000	-	(\$16,000,000)
Human Resources Department	Personal Services (Overage)	\$2,000	-	-	-	\$2,000	-	-	\$2,000
Planning, Building and Code Enforcement Department	Personal Services (Overage)	\$10,000	-	-	-	\$10,000	-	-	\$10,000
Budget Adjustments Total		\$512,000	\$50,000	\$0	\$15,438,000	\$16,000,000	\$16,000,000	\$0	\$0
Low And Moderate Income Housing Asset Fund (346) TOTAL		\$512,000	\$50,000	\$0	\$15,438,000	\$16,000,000	\$16,000,000	\$0	\$0
Maintenance District No. 1 (Los Paseos) Fund (352)									
Budget Adjustments									
Transportation Department	Non-Personal/Equipment (Concrete Safety Repair Project)	-	\$49,000	-	-	\$49,000	-	-	\$49,000
	Ending Fund Balance Adjustment	-	-	-	(\$49,000)	(\$49,000)	-	-	(\$49,000)
Budget Adjustments Total		\$0	\$49,000	\$0	(\$49,000)	\$0	\$0	\$0	\$0
Maintenance District No. 1 (Los Paseos) Fund (352) TOTAL		\$0	\$49,000	\$0	(\$49,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Multi-Source Housing Fund (448)									
Clean-Up Actions									
Housing Department	Tech Adjust: Transfer to the Homeless Emergency Aid Program Fund	-	-	\$4,400,000	-	\$4,400,000	-	-	\$4,400,000
	Tech Adjust: Homeless Prevention System/Transfer from the Multi-Source Housing Fund	-	-	\$4,000,000	-	\$4,000,000	\$4,000,000	-	-
	Tech Adjust: Homeless Prevention System	-	-	(\$4,000,000)	-	(\$4,000,000)	-	-	(\$4,000,000)
	Tech Adjust: Crisis Response Interventions/Transfer from the Multi-Source Housing Fund	-	-	\$400,000	-	\$400,000	\$400,000	-	-
	Tech Adjust: Crisis Response Interventions	-	-	(\$400,000)	-	(\$400,000)	-	-	(\$400,000)
	Clean-Up Actions TOTAL	\$0	\$0	\$4,400,000	\$0	\$4,400,000	\$4,400,000	\$0	\$0
Budget Adjustments									
Housing Department	Emergency Shelter Grant/Revenue from Federal Government	-	-	\$124,764	-	\$124,764	\$124,764	-	-
	Personal Services/Fees, Rates, and Charges	(\$400,000)	-	-	-	(\$400,000)	(\$400,000)	-	-
	Budget Adjustments Total	(\$400,000)	\$0	\$124,764	\$0	(\$275,236)	(\$275,236)	\$0	\$0
	Multi-Source Housing Fund (448) TOTAL	(\$400,000)	\$0	\$4,524,764	\$0	\$4,124,764	\$4,124,764	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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 Adjustment	-	-	-	(\$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/Transfers and Reimbursements (Compensated Absence)	-	-	\$600,000	-	\$600,000	\$600,000	-	-
Budget Adjustments Total	\$0	\$0	\$600,000	\$0	\$600,000	\$600,000	\$0	\$0
Public Works Program Support Fund (150) TOTAL	\$0	\$0	\$600,000	\$0	\$600,000	\$600,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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 Clean Energy Operating Fund (501)									
Budget Adjustments									
Community Energy									
Department									
	Operations and Maintenance								
	Reserve	-	-	(\$20,000,000)	-	(\$20,000,000)	-	-	(\$20,000,000)
	Financing Proceeds	-	-	-	-	-	(\$20,000,000)	-	\$20,000,000
	State Electrical Energy								
	Surcharge/Fees, Rates, and								
	Charges (State Electrical Energy								
	Surcharge)	-	-	\$500,000	-	\$500,000	\$500,000	-	-
	Budget Adjustments Total	\$0	\$0	(\$19,500,000)	\$0	(\$19,500,000)	(\$19,500,000)	\$0	\$0
	San José Clean Energy								
	Operating Fund (501) TOTAL	\$0	\$0	(\$19,500,000)	\$0	(\$19,500,000)	(\$19,500,000)	\$0	\$0
San José-Santa Clara Treatment Plant Operating Fund (513)									
Budget Adjustments									
Environmental									
Services Department									
	Inventory	-	-	\$50,000	-	\$50,000	-	-	\$50,000
	Ending Fund Balance Adjustment	-	-	-	(\$87,000)	(\$87,000)	-	-	(\$87,000)
	Personal Services (Vacancy								
	Savings)	(\$50,000)	-	-	-	(\$50,000)	-	-	(\$50,000)
Human Resources									
Department									
	Personal Services (Overage)	\$7,000	-	-	-	\$7,000	-	-	\$7,000
Public Works									
Department									
	Personal Services (Overage)	\$80,000	-	-	-	\$80,000	-	-	\$80,000
	Budget Adjustments Total	\$37,000	\$0	\$50,000	(\$87,000)	\$0	\$0	\$0	\$0
	San José-Santa Clara Treatment								
	Plant Operating Fund (513)								
	TOTAL	\$37,000	\$0	\$50,000	(\$87,000)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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 Actions									
D-12	Transportation Department	Tech Adjust: Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing Costs)							
		-	\$31,100	-	-	\$31,100	-	-	\$31,100
		Tech Adjust: Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing Costs)							
		(\$31,100)	-	-	-	(\$31,100)	-	-	(\$31,100)
	Clean-Up Actions TOTAL	(\$31,100)	\$31,100	\$0	\$0	\$0	\$0	\$0	\$0
Budget Adjustments									
D-12	City Attorney's Office	Personal Services (Overage)							
		\$160,000	-	-	-	\$160,000	-	-	\$160,000
	Environmental Services Department	Ending Fund Balance Adjustment							
		-	-	-	(\$242,000)	(\$242,000)	-	-	(\$242,000)
	Human Resources Department	Personal Services (Overage)							
		\$2,000	-	-	-	\$2,000	-	-	\$2,000
	Transportation Department	Non-Personal/Equipment/Fees, Rates, and Charges (Sanitary Sewer Repairs)							
		-	\$14,700	-	-	\$14,700	\$14,700	-	-
		Non-Personal/Equipment (Water Utility Costs)							
		-	\$80,000	-	-	\$80,000	-	-	\$80,000
Budget Adjustments Total		\$162,000	\$94,700	\$0	(\$242,000)	\$14,700	\$14,700	\$0	\$0
Sewer Service And Use Charge Fund (541) TOTAL		\$130,900	\$125,800	\$0	(\$242,000)	\$14,700	\$14,700	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
South Bay Water Recycling Operating Fund (570)								
Budget Adjustments								
Environmental Services Department	SCVWD - Advanced Water							
Treatment	-	-	\$2,800,000	-	\$2,800,000	-	-	\$2,800,000
Ending Fund Balance Adjustment	-	-	-	(\$174,000)	(\$174,000)	-	-	(\$174,000)
Fees, Rates, and Charges	-	-	-	-	-	\$1,460,000	-	(\$1,460,000)
Personal Services (Vacancy Savings)	(\$200,000)	-	-	-	(\$200,000)	-	-	(\$200,000)
Operations and Maintenance Reserve	-	-	(\$966,000)	-	(\$966,000)	-	-	(\$966,000)
Budget Adjustments Total	(\$200,000)	\$0	\$1,834,000	(\$174,000)	\$1,460,000	\$1,460,000	\$0	\$0
South Bay Water Recycling Operating Fund (570) TOTAL	(\$200,000)	\$0	\$1,834,000	(\$174,000)	\$1,460,000	\$1,460,000	\$0	\$0
Storm Sewer Operating Fund (446)								
Budget Adjustments								
Environmental Services Department	Ending Fund Balance Adjustment							
	-	-	-	(\$6,500)	(\$6,500)	-	-	(\$6,500)
Human Resources Department	Workers' Compensation Claims							
	-	-	\$5,000	-	\$5,000	-	-	\$5,000
Personal Services (Overage)	\$1,500	-	-	-	\$1,500	-	-	\$1,500
Budget Adjustments Total	\$1,500	\$0	\$5,000	(\$6,500)	\$0	\$0	\$0	\$0
Storm Sewer Operating Fund (446) TOTAL	\$1,500	\$0	\$5,000	(\$6,500)	\$0	\$0	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Supplemental Law Enforcement Services Fund (414)								
Budget Adjustments								
Police Department								
SLES Grant 2017-2019/Revenue from State of California	-	-	\$22,667	-	\$22,667	\$22,667	-	-
SLES Grant 2016-2018/Revenue from State of California	-	-	\$52,711	-	\$52,711	\$52,711	-	-
Budget Adjustments Total	\$0	\$0	\$75,378	\$0	\$75,378	\$75,378	\$0	\$0
Supplemental Law Enforcement Services Fund (414) TOTAL	\$0	\$0	\$75,378	\$0	\$75,378	\$75,378	\$0	\$0
Transient Occupancy Tax Fund (461)								
Budget Adjustments								
City Manager - Office of Economic Development								
Transient Occupancy Tax	-	-	-	-	-	\$1,907,000	-	(\$1,907,000)
Ending Fund Balance Adjustment	-	-	-	\$1,907,000	\$1,907,000	-	-	\$1,907,000
Budget Adjustments Total	\$0	\$0	\$0	\$1,907,000	\$1,907,000	\$1,907,000	\$0	\$0
Transient Occupancy Tax Fund (461) TOTAL	\$0	\$0	\$0	\$1,907,000	\$1,907,000	\$1,907,000	\$0	\$0

Special Funds
Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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
Vehicle Maintenance And Operations Fund (552)									
Budget Adjustments									
Human Resources Department									
Public Works Department	Personal Services (Overage)	\$25,000	-	-	-	\$25,000	-	-	\$25,000
	Non-Personal/Equipment (Fleet)	-	\$100,000	-	-	\$100,000	-	-	\$100,000
	Ending Fund Balance Adjustment	-	-	-	(\$125,000)	(\$125,000)	-	-	(\$125,000)
	Budget Adjustments Total	\$25,000	\$100,000	\$0	(\$125,000)	\$0	\$0	\$0	\$0
	Vehicle Maintenance And Operations Fund (552) TOTAL	\$25,000	\$100,000	\$0	(\$125,000)	\$0	\$0	\$0	\$0
Water Utility Fund (515)									
Budget Adjustments									
City Attorney's Office									
Environmental Services Department	Personal Services (Overage)	\$5,000	-	-	-	\$5,000	-	-	\$5,000
	Ending Fund Balance Adjustment	-	-	-	(\$7,000)	(\$7,000)	-	-	(\$7,000)
Human Resources Department	Personal Services (Overage)	\$2,000	-	-	-	\$2,000	-	-	\$2,000
	Budget Adjustments Total	\$7,000	\$0	\$0	(\$7,000)	\$0	\$0	\$0	\$0
	Water Utility Fund (515) TOTAL	\$7,000	\$0	\$0	(\$7,000)	\$0	\$0	\$0	\$0

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Airport Renewal and Replacement Fund (527)			
Ending Fund Balance Adjustment	Finance	\$(90,000)	
This action decreases the Ending Fund Balance by \$90,000 to offset the action recommended in this memorandum.			
Guadalupe Gardens Burrowing Owl Habitat Area	Airport	\$90,000	
This action increases the Guadalupe Gardens Burrowing Owl Habitat Area project by \$90,000 (from \$250,000 to \$340,000). This project funds the construction of additional burrowing owl habitat in the Guadalupe Gardens to mitigate environmental wildlife concerns. The increase supports higher than anticipated construction expenses. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum.			
Airport Renewal and Replacement Fund (527) TOTAL			
Construction Excise Tax Fund (465)			
Almaden/Vine Downtown Couplet (OBAG)	Transportation	\$150,000	
This action increases the Almaden/Vine Downtown Couplet appropriation by \$150,000 (from \$1.44 million to \$1.59 million) for streetlights and flashing beacons. The additional infrastructure is being added because of a scope change to the project. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.			
BART Program Management	Transportation	\$180,000	
This action increases the BART Program Management appropriation by \$180,000 for work performed under the Third Amendment to Cooperative Agreement #6 between the City of San José and Santa Clara Valley Transportation Authority for reimbursement associated with the BART Berryessa Extension Project. The agreement is for a total amount of \$260,000. The appropriation was increased by \$80,000 in 2017-2018 to fund staff support needed while the Public Works Department worked on amending the agreement with VTA. A corresponding action to increase the estimate for Revenue from Local Agencies by \$260,000 is recommended to offset this action.			
Bicycle and Pedestrian Facilities	Transportation	\$19,000	
This action increases the Bicycle and Pedestrian Facilities appropriation by \$19,000 (from \$2.53 million to \$2.55 million) to provide additional funding to plan, design, and build bikeways. This action is offset by a payment from the Metropolitan Transportation Commission for liquidated damages against the Bay Area bike share operator based on their bike share agreement as described elsewhere in this memorandum.			
Coyote Creek Trail	Transportation	\$19,000	
This action increases the Coyote Creek Trail appropriation by \$19,000 (from \$255,000 to \$274,000). The additional funding will partially fund construction on the Tasman to Montague segment along the Coyote Creek Trail. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Developer Contributions (Fiber Optics Engineering)	Public Works		\$300,000
This action increases the estimate for Developer Contributions by \$300,000 to account for the high volume of fiber optic communication permit projects in 2018-2019. A corresponding increase to the Fiber Optics Permit Engineering appropriation is recommended to offset this action.			
Ending Fund Balance Adjustment	Finance	\$111,000	
This action increases the Ending Fund Balance to offset the actions recommended in this memorandum.			
Fiber Optics Permit Engineering	Transportation	\$300,000	
This action increases the Fiber Optics Permit Engineering appropriation by \$300,000 as the result of a higher than anticipated amount of communications permit projects in 2018-2019. A corresponding increase to the estimate for Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees) is recommended to offset this action.			
Other Revenue (Liquidated Damages for Bike Share Program)	Transportation		\$19,000
This action increases the estimate for Other Revenue by \$19,000 for a payment received from the Metropolitan Transportation Commission for liquidated damages against the Bay Area bike share operator based on their bike share agreement. The funds will be used to plan, design, and build bikeways. A corresponding increase to the Bicycle and Pedestrian Facilities appropriation is recommended to offset this action.			
Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	Transportation	\$(41,000)	
This action decreases the Pavement Maintenance - SB1 Road Repair & Accountability Act 2017 appropriation by \$41,000 to align 2018-2019 project expenses with the State's May forecast for the taxes. A corresponding decrease to the estimate for Revenue from State of California is recommended to offset this action.			
Pavement Maintenance - State Gas Tax	Transportation	\$127,000	
This action increases the Pavement Maintenance - State Gas Tax appropriation by \$127,000 to align 2018-2019 project expenses with the State's May forecast for the taxes. A corresponding increase to the estimate for Revenue from State of California is recommended to offset this action.			
Revenue from Local Agencies (VTA: BART Construction Management)	Transportation		\$260,000
This action increases the estimate for Revenue from Local Agencies by \$260,000 in accordance with the agreement between the City of San José and the Santa Clara Valley Transportation Authority (VTA) for the reimbursement of construction management services for the BART Berryessa Extension Project. An increase to the BART Program Management appropriation in the amount of \$180,000 is recommended to offset this action. The appropriation was increased by \$80,000 in 2017-2018 to fund staff support while the Public Works Department worked on amending the agreement with VTA.			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Construction Excise Tax Fund (465)			
Revenue from Local Agencies (VTA: BART Design and Construction)	Transportation		\$200,000
<p>This action increases the estimate for Revenue from Local Agencies by \$200,000 in accordance with the agreement between the City of San José and the Santa Clara Valley Transportation Authority (VTA) for the reimbursement of design and construction services for the BART Berryessa Extension Project. The BART Design and Construction appropriation was increased by \$200,000 in 2017-2018 to fund staff support while the Public Works Department worked on amending the agreement with VTA. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>			
Revenue from State of California (Pavement Maintenance - SB1 Road Repair & Accountability Act 2017)	Transportation		\$(41,000)
<p>This action decreases the estimate for Revenue from State of California by \$41,000 for SB1 Road Repair and Accountability Act 2017 funds for pavement maintenance to align with the State's May forecast for taxes. A corresponding decrease to the Pavement Maintenance - State Gas Tax appropriation is recommended to offset this action.</p>			
Revenue from State of California (Pavement Maintenance - State Gas Tax)	Transportation		\$127,000
<p>This action increases the estimate for Revenue from State of California by \$127,000 for the State gas tax allocation for pavement maintenance to align with the State's May forecast for taxes. A corresponding increase to the Pavement Maintenance - State Gas Tax appropriation is recommended to offset this action.</p>			
Construction Excise Tax Fund (465) TOTAL		\$865,000	\$865,000
Convention and Cultural Affairs Capital Fund (560)			
Cultural Facilities Rehabilitation/Repair - Miscellaneous	Office of Economic Development	\$27,000	
<p>This action increases the Cultural Facilities Rehabilitation / Repair - Miscellaneous appropriation by \$27,000 (from \$293,000 to \$320,000) to support higher than anticipated costs for the installation of stage/pony wall curtains at the Montgomery Theater (\$20,000) and additional banquet hot boxes (\$15,000), and lower than anticipated costs for the replacement of swiss braisers and washers/dryers (\$8,000). Corresponding adjustments to shift savings from the Cultural Facilities Rehabilitation/Repair - Structures appropriation and decrease the Ending Fund Balance are recommended elsewhere in this memorandum to offset this action.</p>			
Cultural Facilities Rehabilitation/Repair - Structures	Office of Economic Development	\$(25,000)	
<p>This action decreases the Cultural Facilities Rehabilitation / Repair - Structures appropriation by \$25,000 (from \$962,000 to \$937,000) to reallocate savings from the Montgomery stage floor repair project to partially offset additional costs for the Montgomery stage/pony wall curtains project and hot box replacements. A corresponding adjustment to the Cultural Facilities Rehabilitation/Repair - Miscellaneous appropriation is recommended elsewhere in this memorandum to increase funding for these projects.</p>			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Convention and Cultural Affairs Capital Fund (560)			
Cultural Facilities Rehabilitation/Repair - Unanticipated	Office of Economic Development	\$69,000	
<p>This action increases the Cultural Facilities Rehabilitation / Repair - Unanticipated appropriation by \$69,000 (from \$100,000 to \$169,000) to support urgent projects arising during 2018-2019 to: acquire an additional utility cart to support transfers of supplies between venues for upcoming events (\$15,000); reconfigure and remodel administrative office space to better accommodate scheduling, payroll, and cash management staff (\$30,000); and retrofit countertop surfaces in the Convention Center for ADA compliance (\$24,000). A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(96,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.</p>			
San José Civic Auditorium HVAC Replacement	Public Works	\$25,000	
<p>This action increases the San José Civic Auditorium HVAC Replacement appropriation by \$25,000 (from \$66,000 to \$91,000) to support higher than anticipated project close-out costs. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this memorandum to offset this action.</p>			
Convention and Cultural Affairs Capital Fund (560) TOTAL			
Council District 5 Construction and Conveyance Tax Fund (382)			
All-Inclusive Playground - Emma Prusch	Parks, Recreation and Neighborhood Services	\$(2,000,000)	
<p>This action eliminates the \$2.0 million funding for the All-Inclusive Playground - Emma Prusch in the Council District 5 C&C Tax Fund as an offsetting action to the \$2.0 million transfer to the Parks City-Wide C&C Tax Fund described elsewhere in this memorandum.</p>			
Transfer to City-Wide C&C Tax Fund	Parks, Recreation and Neighborhood Services	\$2,000,000	
<p>The 2018-2019 Adopted Capital Budget included a transfer from the Parks City-Wide Construction and Conveyance (C&C) Tax Fund to the Council District 5 C&C Tax Fund for the All Inclusive Playground – Emma Prusch project to front grant funding that was anticipated to be received on a reimbursement basis in the Council District 5 C&C Tax Fund. However, as the project expenditure and the associated grant funding is now anticipated to be received in the Parks City-Wide C&C Tax Fund, this action recommends transferring the funds back to the Parks City-Wide C&C Tax Fund from the Council District 5 C&C Tax Fund, offset by a reduction to the project. A corresponding adjustment is recommended in the Parks City-Wide C&C Tax Fund to recognize the transfer of funding.</p>			
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Fire Construction and Conveyance Tax Fund (392)			
Capital Project Management	Fire	\$28,000	
This action increases the Capital Projects Management appropriation by \$28,000 (from \$419,000 to \$447,000) to account for higher than budgeted personal services costs. In 2018-2019, a Supervising Applications Analyst position was reallocated to a Department IT Manager and a temporary Senior Analyst was added. The Senior Analyst position costs were primarily offset by a vacant Analyst position. An action to decrease Ending Fund Balance is recommended to offset this action elsewhere in this memorandum.			
Ending Fund Balance Adjustment	Finance	\$(28,000)	
This action decreases Ending Fund Balance to offset the action recommended as part of this memorandum.			
Measure T - Fire Station 37 (formerly Fire Station 37 Construction)	Fire	\$0	
This action changes the name of the Fire Station 37 Construction project to Measure T - Fire Station 37 to more accurately reflect the funding sources for this project.			
Fire Construction and Conveyance Tax Fund (392) TOTAL			
Library Construction and Conveyance Tax Fund (393)			
Ending Fund Balance Adjustment	Finance	\$(67,000)	
This action decreases the Ending Funding Balance to offset the action recommended in this memorandum.			
Facilities Management	Library	\$67,000	
This action increases the Facilities Management allocation by \$67,000 (from \$387,000 to \$454,000) to correctly align anticipated staffing costs. A corresponding action to decrease the Ending Fund Balance is recommended in this memorandum to offset this action.			
Library Construction and Conveyance Tax Fund (393) TOTAL			
Parks City-Wide Construction and Conveyance Tax Fund (391)			
Ending Fund Balance Adjustment	Finance	\$2,000,000	
This action increases the Ending Fund Balance to offset the action recommended in this memorandum.			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 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)			
Transfer from District 5 C&C Tax Fund	Parks, Recreation and Neighborhood Services		\$2,000,000
<p>The 2018-2019 Adopted Capital Budget included a transfer from the Parks City-Wide Construction and Conveyance (C&C) Tax Fund to the Council District 5 C&C Tax Fund for the All Inclusive Playground – Emma Prusch project to front grant funding that was anticipated to be received on a reimbursement basis in the Council District 5 C&C Tax Fund. However, as the project expenditure and the associated grant funding is now anticipated to be received in the Parks City-Wide C&C Tax Fund, this action recommends transferring the funds back to the Parks City-Wide C&C Tax Fund from the Council District 5 C&C Tax Fund with an offsetting increase to the Ending Funding Balance. Project costs are anticipated to begin in 2019-2020. A corresponding adjustment is recommended in the Council District 5 C&C Tax Fund to recognize the transfer of funding.</p>			
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL		\$2,000,000	\$2,000,000
Storm Drainage Fee Fund (413)			
Capital Program and Public Works Department Support Service Costs	Public Works	\$25,000	
<p>This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$25,000 (from \$19,000 to \$44,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2018-2019. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Ending Fund Balance Adjustment	Finance	\$(25,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.</p>			
Storm Drainage Fee Fund (413) TOTAL			
Storm Sewer Capital Fund (469)			
Capital Program and Public Works Department Support Service Costs	Public Works	\$80,000	
<p>This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$80,000 (from \$681,000 to \$761,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2018-2019. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.</p>			
Ending Fund Balance Adjustment	Finance	\$(80,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.</p>			
Storm Sewer Capital Fund (469) TOTAL			

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Subdivision Park Trust Fund (375)			
Agnews Property Development	Parks, Recreation and Neighborhood Services	\$350,000	
This action increases the Agnew Property Development project in the amount of \$350,000 (from \$11,000 to \$361,000). This increase provides funding for the additional Public Works project management cost and consultant fees for the following activities: conducting sampling, coordinating with regulatory agencies, assessment of demolition materials, storm water sediments, monitoring of construction work, waste disposal, and preparing an environmental report for the Agnews Demolition project. A corresponding action to decrease the Future PDO/PIO Projects Reserve is recommended in this memorandum to offset this action.			
Developer Contributions: Japantown Turnkey Park	Parks, Recreation and Neighborhood Services		\$915,000
This action increases the estimate for Developer Contributions in the amount of \$915,000. The Japantown Park is a turnkey project that is being designed and constructed by a developer to partially fulfill its Parkland Dedication Obligation (PDO). In addition to designing and constructing the new park, additional funding of \$915,000 is anticipated to fully meet the developer's PDO. Corresponding actions are recommended in this report to allocate this funding to the Japantown Park Public Art project (\$276,000) and the Japantown Turnkey Park Design Review and Inspection project (\$639,000).			
Future PDO/PIO Projects Reserve	Parks, Recreation and Neighborhood Services	\$(350,000)	
This action decreases the Future PDO/PIO Projects Reserve to offset the action recommended in this memorandum.			
Japantown Park Public Art	Office of Economic Development	\$276,000	
This action establishes the Japantown Park Public Art project in the amount of \$276,000. The project scope includes an interpretative history wall/story telling panel focal element art sculpture and bronze medallions (memory trail). A corresponding action to increase the Developer Contributions is recommendation in this memorandum to offset this action.			
Japantown Turnkey Park Design Review and Inspection	Parks, Recreation and Neighborhood Services	\$639,000	
This action establishes the Japantown Turnkey Park Design Review Inspection project in the amount of \$639,000. The Japantown Park is a turnkey project being designed and constructed by a developer to partially fulfill its Parkland Dedication Obligation. Once completed, the new 0.75 acre neighborhood park will include a plaza including a seat wall, benches, picnic tables, game tables, tot lot, drinking fountain, and bike racks. The funding allocated for design review and inspection will allow the Public Works Department to review and inspect the developer-build park. A corresponding action to increase the Developer Contributions is recommended in this memorandum to offset this action.			
Subdivision Park Trust Fund (375) TOTAL		\$915,000	\$915,000

**Capital Funds Recommended Budget Adjustments Summary
2018-2019 Year-End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
Water Utility Capital Fund (500)			
Capital Program and Public Works Department Support Service Costs	Public Works	\$20,000	
This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$20,000 (from \$7,000 to \$27,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2018-2019. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this memorandum.			
Ending Fund Balance Adjustment	Finance	\$(20,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this memorandum.			
Water Utility Capital Fund (500) TOTAL		<hr/>	<hr/>

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance
<hr/>					
Airport Renewal and Replacement Fund (527)					
Ending Fund Balance Adjustment		\$(90,000)	\$(90,000)		\$(90,000)
Guadalupe Gardens Burrowing Owl Habitat Area	\$90,000		\$90,000		\$90,000
Budget Adjustments TOTAL	\$90,000	\$(90,000)			
Airport Renewal and Replacement Fund (527)					
TOTAL	\$90,000	\$(90,000)			
Communications Construction and Conveyance Tax Fund (397)					
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$6,000	\$(6,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$6,000		\$6,000		\$6,000
Clean-Up and Rebudget Actions TOTAL	\$6,000		\$6,000	\$6,000	
Communications Construction and Conveyance Tax Fund (397) TOTAL					
	\$6,000		\$6,000	\$6,000	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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)						
Almaden/Vine Downtown Couplet (OBAG)	\$150,000		\$150,000			\$150,000
BART Program Management	\$180,000		\$180,000			\$180,000
Bicycle and Pedestrian Facilities	\$19,000		\$19,000			\$19,000
Coyote Creek Trail	\$19,000		\$19,000			\$19,000
Developer Contributions (Fiber Optics Engineering)				\$300,000		\$(300,000)
Ending Fund Balance Adjustment		\$111,000	\$111,000			\$111,000
Fiber Optics Permit Engineering	\$300,000		\$300,000			\$300,000
Other Revenue (Liquidated Damages for Bike Share Program)				\$19,000		\$(19,000)
Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	\$(41,000)		\$(41,000)			\$(41,000)
Pavement Maintenance - State Gas Tax	\$127,000		\$127,000			\$127,000
Revenue from Local Agencies (VTA: BART Construction Management)				\$260,000		\$(260,000)
Revenue from Local Agencies (VTA: BART Design and Construction)				\$200,000		\$(200,000)
Revenue from State of California (Pavement Maintenance - SB1 Road Repair & Accountability Act 2017)				\$(41,000)		\$41,000
Revenue from State of California (Pavement Maintenance - State Gas Tax)				\$127,000		\$(127,000)
Budget Adjustments TOTAL	\$754,000	\$111,000	\$865,000	\$865,000		
Construction Excise Tax Fund (465) TOTAL	\$754,000	\$111,000	\$865,000	\$865,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance
Convention and Cultural Affairs Capital Fund (560)					
Cultural Facilities Rehabilitation/Repair - Miscellaneous	\$27,000		\$27,000		\$27,000
Cultural Facilities Rehabilitation/Repair - Structures	\$(25,000)		\$(25,000)		\$(25,000)
Cultural Facilities Rehabilitation/Repair - Unanticipated	\$69,000		\$69,000		\$69,000
Ending Fund Balance Adjustment		\$(96,000)	\$(96,000)		\$(96,000)
San José Civic Auditorium HVAC Replacement	\$25,000		\$25,000		\$25,000
Budget Adjustments TOTAL	\$96,000	\$(96,000)			
Convention and Cultural Affairs Capital Fund (560) TOTAL					
	\$96,000	\$(96,000)			
Council District 5 Construction and Conveyance Tax Fund (382)					
All-Inclusive Playground - Emma Prusch	\$(2,000,000)		\$(2,000,000)		\$(2,000,000)
Transfer to City-Wide C&C Tax Fund	\$2,000,000		\$2,000,000		\$2,000,000
Budget Adjustments TOTAL					
Council District 5 Construction and Conveyance Tax Fund (382) TOTAL					
Fire Construction and Conveyance Tax Fund (392)					
Tech Adjust: Transfer to the General Fund (Interest Income)	\$109,000		\$109,000		\$109,000

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 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: Revenue from the Use of Money/Property (Interest Income)				\$109,000		\$(109,000)
Clean-Up and Rebudget Actions TOTAL	\$109,000		\$109,000	\$109,000		
Capital Project Management	\$28,000		\$28,000			\$28,000
Ending Fund Balance Adjustment		\$(28,000)	\$(28,000)			\$(28,000)
Measure T - Fire Station 37 (formerly Fire Station 37 Construction)	\$0		\$0			\$0
Budget Adjustments TOTAL	\$28,000	\$(28,000)				
Fire Construction and Conveyance Tax Fund (392) TOTAL						
	\$137,000	\$(28,000)	\$109,000	\$109,000		
Library Construction and Conveyance Tax Fund (393)						
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$50,000		\$(50,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$50,000		\$50,000			\$50,000
Clean-Up and Rebudget Actions TOTAL	\$50,000		\$50,000	\$50,000		
Ending Fund Balance Adjustment		\$(67,000)	\$(67,000)			\$(67,000)
Facilities Management	\$67,000		\$67,000			\$67,000
Budget Adjustments TOTAL	\$67,000	\$(67,000)				
Library Construction and Conveyance Tax Fund (393) TOTAL						
	\$117,000	\$(67,000)	\$50,000	\$50,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
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Park Yards Construction and Conveyance Tax Fund (398)						
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$24,000		\$(24,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$24,000		\$24,000			\$24,000
	<hr/>			<hr/>		<hr/>
Clean-Up and Rebudget Actions TOTAL	\$24,000		\$24,000	\$24,000		
Park Yards Construction and Conveyance Tax Fund (398) TOTAL	\$24,000		\$24,000	\$24,000		
Parks Central Construction and Conveyance Tax Fund (390)						
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$391,000		\$(391,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$391,000		\$391,000			\$391,000
	<hr/>			<hr/>		<hr/>
Clean-Up and Rebudget Actions TOTAL	\$391,000		\$391,000	\$391,000		
Parks Central Construction and Conveyance Tax Fund (390) TOTAL	\$391,000		\$391,000	\$391,000		

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	
Parks City-Wide Construction and Conveyance Tax Fund (391)					
Ending Fund Balance Adjustment		\$2,000,000	\$2,000,000		\$2,000,000
Transfer from District 5 C&C Tax Fund				\$2,000,000	\$(2,000,000)
Budget Adjustments TOTAL		\$2,000,000	\$2,000,000	\$2,000,000	
Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL		\$2,000,000	\$2,000,000	\$2,000,000	
Residential Construction Tax Contribution Fund (420)					
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$20,000	\$(20,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$20,000		\$20,000		\$20,000
Clean-Up and Rebudget Actions TOTAL	\$20,000		\$20,000	\$20,000	
Residential Construction Tax Contribution Fund (420) TOTAL	\$20,000		\$20,000	\$20,000	
Service Yards Construction and Conveyance Tax Fund (395)					
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$20,000	\$(20,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$20,000		\$20,000		\$20,000
Clean-Up and Rebudget Actions TOTAL	\$20,000		\$20,000	\$20,000	
Service Yards Construction and Conveyance Tax Fund (395) TOTAL	\$20,000		\$20,000	\$20,000	

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
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Storm Drainage Fee Fund (413)						
Tech Adjust: Revenue from the Use of Money and Property (Interest Income)				\$7,000		\$(7,000)
Tech Adjust: Transfer to the General Fund (Interest Income)	\$7,000		\$7,000			\$7,000
	<hr/>		<hr/>	<hr/>		<hr/>
Clean-Up and Rebudget Actions TOTAL	\$7,000		\$7,000	\$7,000		
Capital Program and Public Works Department Support Service Costs	\$25,000		\$25,000			\$25,000
Ending Fund Balance Adjustment		\$(25,000)	\$(25,000)			\$(25,000)
	<hr/>		<hr/>	<hr/>		<hr/>
Budget Adjustments TOTAL	\$25,000	\$(25,000)				
Storm Drainage Fee Fund (413) TOTAL	\$32,000	\$(25,000)	\$7,000	\$7,000		
Storm Sewer Capital Fund (469)						
Capital Program and Public Works Department Support Service Costs	\$80,000		\$80,000			\$80,000
Ending Fund Balance Adjustment		\$(80,000)	\$(80,000)			\$(80,000)
	<hr/>		<hr/>	<hr/>		<hr/>
Budget Adjustments TOTAL	\$80,000	\$(80,000)				
Storm Sewer Capital Fund (469) TOTAL	\$80,000	\$(80,000)				

Capital Funds Recommended Budget Adjustments and Clean-Up Actions
2018-2019 Year-End Budget Review

Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	
Subdivision Park Trust Fund (375)					
Agnews Property Development	\$350,000		\$350,000		\$350,000
Developer Contributions: Japantown Turnkey Park				\$915,000	\$(915,000)
Future PDO/PIO Projects Reserve	\$(350,000)		\$(350,000)		\$(350,000)
Japantown Park Public Art	\$276,000		\$276,000		\$276,000
Japantown Turnkey Park Design Review and Inspection	\$639,000		\$639,000		\$639,000
Budget Adjustments TOTAL	\$915,000		\$915,000	\$915,000	
Subdivision Park Trust Fund (375) TOTAL	\$915,000		\$915,000	\$915,000	
Water Utility Capital Fund (500)					
Capital Program and Public Works Department Support Service Costs	\$20,000		\$20,000		\$20,000
Ending Fund Balance Adjustment		\$(20,000)	\$(20,000)		\$(20,000)
Budget Adjustments TOTAL	\$20,000	\$(20,000)			
Water Utility Capital Fund (500) TOTAL	\$20,000	\$(20,000)			