

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT CAPITAL IMPVT FUND (520)				
<p><i>Terminal Area Improvement, Phase I/Earned Revenue</i></p> <p>Increases the Terminal Area Improvement, Phase I project and the estimate for Earned Revenue by \$211,000. The Airport was awarded a grant in February 2009 to support the installation of pre-conditioned air units and power at 13 airport gates. This action increases the grant-allowable portion of project expenditures as approved through the Airport Improvement Program administered by the Federal Aviation Administration. Work to complete this project continues, and this additional allocation will help to offset expenses related to the installation of pre-conditioned air units and power in Terminal A.</p>	Airport Capital Program		\$211,000	\$211,000
			\$211,000	\$211,000
AIRPORT CUST FAC & TRANS FD (519)				
<p><i>Airport Commercial Paper Fees</i></p> <p>Increases the Airport Non-Personal/Equipment appropriation by \$250,000 to offset the cost of the Commercial Paper Program fees incurred from July to December 2011, when the Series 2011B fixed rate bond proceeds were available to refund a portion of the variable rate Commercial Paper notes. A reduction to the Airport's Contingency Reserve is recommended below.</p>	Airport		\$250,000	
<p><i>Contingency Reserve</i></p> <p>Decreases the Airport Contingency Reserve by \$250,000 to offset the higher expenditure for Commercial Paper Program fees incurred from July to December 2011, when the Series 2011B fixed rate bond proceeds were available to refund a portion of the variable rate Commercial Paper notes.</p>	Airport		(\$250,000)	
			\$0	\$0
AIRPORT RENEW & REPL FUND (527)				
<p><i>Airfield Improvements</i></p> <p>Decreases the Airfield Improvements appropriation by \$135,000 to partially fund the purchase in the Equipment, Operating appropriation of a new Manager-on-Duty vehicle (\$50,000) and airfield mower (\$230,000), both of which have outlived their useful lives. The replacement of the airfield mower is required to comply with FAR139 regulations and is consistent with the purpose of the Airfield Improvement project. Funding is available in the Airfield Improvement appropriation as a result of project savings for airfield signage. The use of existing funds in the Equipment, Operating appropriation (\$95,000), \$50,000 from project savings in the Wildlife Hazard Management Plan appropriation, and \$135,000 from this appropriation is recommended. Corresponding adjustments to the Equipment, Operating and Wildlife Hazard Management Plan appropriations are recommended elsewhere in this report.</p>	Airport Capital Program		(\$135,000)	

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT RENEW & REPL FUND (527)				
<p><i>Equipment, Operating</i></p> <p>Increases the Equipment, Operating appropriation by \$185,000. The Equipment, Operating appropriation funds the acquisition of Airport equipment on an as-needed basis, and the Airport is currently in need of a new Manager-on-Duty vehicle (\$50,000) and airfield mower (\$230,000), both of which have outlived their useful lives. The use of existing funds in this appropriation (\$95,000), \$135,000 from the Airfield Improvements appropriation, and \$50,000 from project savings in the Wildlife Hazard Management Plan appropriation is recommended. Corresponding adjustments to the Airfield Improvements and Wildlife Hazard Management Plan appropriations are also recommended elsewhere in this report.</p>	Airport Capital Program		\$185,000	
<p><i>Wildlife Hazard Management Plan</i></p> <p>Decreases the Wildlife Hazard Management Plan appropriation by \$50,000 due to project savings to partially fund the purchase of a new Manager-on-Duty vehicle (\$50,000) and airfield mower (\$230,000), both of which have outlived their useful lives. In addition to the decrease of \$50,000 in this appropriation, the use of existing funds (\$95,000) in the Equipment, Operating appropriation, and \$135,000 from the Airfield Improvements appropriation is recommended elsewhere in this report.</p>	Airport Capital Program		(\$50,000)	
TOTAL AIRPORT RENEW & REPL FUND (527)			\$0	\$0
BENEFIT FUND (160)				
<p><i>Health Premiums/Transfers</i></p> <p>Increases the Health Premiums appropriation to account for an average health rate increase of 7.2% for all bargaining units effective January 2012. A corresponding increase in the revenue estimate for Transfers is recommended to reflect the increase in the City's contribution rate to offset this adjustment.</p>	Human Resources		\$1,000,000	\$1,000,000
TOTAL BENEFIT FUND (160)			\$1,000,000	\$1,000,000
BLDG & STRUCT CONST TAX FD (429)				
<p><i>Adaptive Signal Control Equipment</i></p> <p>Establishes an appropriation for Adaptive Signal Control Equipment by reallocating funding from the Milpitas Transit Area - Capitol Avenue Corridor project. The Milpitas Transit Area project, intended to provide transit signal operation improvements in designated areas, is dependent upon VTA completion of its Wayside Detection Pilot project, which has experienced delays. This new project broadens the use of the funding to benefit all transit corridors. A corresponding decrease to the Milpitas Transit - Capitol Avenue Corridor Improvements project is recommended elsewhere in this report.</p>	Traffic Capital Program		\$200,000	

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<i>Autumn Street Extension</i>	Traffic Capital Program		\$500,000	
<p>Establishes an appropriation for the Autumn Street Extension (\$500,000) through a reduction to the Ending Fund Balance. The City has a permit with the Public Utility Commission (PUC) for construction of a railroad crossing at the new Autumn Street extension, which is a requirement for Downtown expansion and the proposed ballpark. The PUC permit will expire in January 2013 and the City is working with Union Pacific Railroad (UPRR) to install the new railroad crossing before that time. The PUC and UPRR required that a section of Autumn Street be constructed and used prior to activation of the new railroad crossing. The proposed funding will be used to design the roadway to meet the requirements of the permit. As part of the development of the 2013-2017 Proposed Capital Improvement Program, the Administration will evaluate the funding needs for the construction of Autumn Street.</p>				
<i>Blossom Hill Road/Monterey Pedestrian Improvements</i>	Traffic Capital Program		\$21,000	
<p>Increases the Blossom Hill Road/Monterey Pedestrian Improvements appropriation by \$21,000 to complete necessary fiber relocation work. Funds were received from the Valley Transportation Authority in 2010-2011 for the completion of this project.</p>				
<i>Building and Structure Construction Tax Revenue Estimate</i>	Traffic Capital Program			\$3,000,000
<p>Increases the budgeted estimate for Building and Structure Construction Tax receipts by \$3.0 million, from \$6.0 million to \$9.0 million. The 2011-2012 Adopted Capital Budget allowed for a decline of 36% from 2010-2011 levels, however through December, collections are down only 17%. The better than expected performance is primarily due to new residential construction activity. The additional funding is recommended to be placed in the Ending Fund Balance and will be considered in the development of the upcoming 2013-2017 Proposed Capital Improvement Program.</p>				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		\$2,479,000	
<p>Increases the Ending Fund Balance to offset actions recommended in this report.</p>				
<i>Lighting and Signal Program/Earned Revenue</i>	Traffic Capital Program		\$6,000	\$6,000
<p>Increases the Lighting and Signal Program appropriation and increases the estimate for Earned Revenue by \$6,000. This funding, which was collected from a developer for the purchase of traffic signal controller equipment, will allow for use of updated City standard equipment to enhance the operation of the traffic signal system.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<p><i>Milpitas Transit Area - Capitol Avenue Corridor Improvements</i></p> <p>Eliminates the Milpitas Transit Area - Capitol Avenue Corridor Improvements project so the funding can be reallocated to a new Adaptive Signal Control Equipment project. The Milpitas Transit Area - Capitol Avenue Corridor Improvements project intended to provide transit signal operation improvements in designated areas, was dependent upon VTA completion of its Wayside Detection Pilot project, which has experienced delays. The reallocation of the funding to the new appropriation, recommended elsewhere in this report, allows the use of these funds for all transit corridors.</p>	Traffic Capital Program		(\$200,000)	
<p><i>Project Development Engineering/Earned Revenue</i></p> <p>Increases the Project Development Engineering appropriation and recognizes revenue from the City of Seattle (\$1,000) as a reimbursement for the Department of Energy's Municipal Solid-State Street Consortium Workshop. The City paid for costs related to this workshop and is subsequently being reimbursed. Additionally, acceptance and appropriation of grant funding from the Valley Transportation Authority (\$23,000) is recommended as a reimbursement for expenditures related to the Project Readiness Initiative.</p>	Traffic Capital Program		\$24,000	\$24,000
			\$3,030,000	\$3,030,000
BRANCH LIB BOND PROJECT FD (472)				
<p><i>Contingency Reserve: Library Bond Projects/Earned Revenue - Miscellaneous</i></p> <p>Increases the Contingency Reserve: Library Bond Projects allocation and the estimate for Earned Revenue by \$367,000 to reflect the receipt of unanticipated revenues from an unbudgeted debt service fund. For the Series 2006 General Obligation Bond funds, \$362,000 was estimated to be the possible arbitrage rebate liability owed to the Internal Revenue Service, and was transferred from the Library Bond Projects Fund to an unbudgeted fund in 2007-2008. It was subsequently determined that there is no arbitrage liability, therefore, these funds, plus an additional \$5,000 of interest earnings, can be returned to the Library Bond Projects Fund.</p>	Library Capital Program		\$367,000	\$367,000
<p><i>Earned Revenue - General Obligation Bond Revenue</i></p> <p>Reduces the estimate for Earned Revenue for the Sale of General Obligation (GO) Bonds as part of the Branch Library Bond Projects by \$5.9 million. Based on the current financial market conditions, the City's timing needs for this funding, and cost/savings benefits of issuing multiple bond sales together, the Finance Department has determined that issuing the bonds in 2012-2013 would be more appropriate. A decrease to the Southeast Branch and Educational Park Branch appropriations are also recommended to offset this action, as described below.</p>	Library Capital Program			(\$5,905,000)

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BRANCH LIB BOND PROJECT FD (472)				
<i>Earned Revenue - Sale of Land</i>	Library Capital Program			(\$2,000,000)
<p>Reduces the estimate for Earned Revenue for the Sale of Land by \$2.0 million to account for a delay in the sale of land previously planned to occur in 2011-2012. The land was purchased with bond funding to be the site of the Bascom Branch Library; however, given the subsequent decision to instead build a joint library and community center, it was determined that this site was not suitable for the joint use. The sale of the land is now anticipated to occur in 2013-2014. A decrease to the Southeast Branch appropriation and Educational Park Branch appropriation are also recommended to offset this action.</p>				
<i>Educational Park Branch</i>	Library Capital Program		(\$1,905,000)	
<p>Decreases the Educational Park Branch appropriation to recognize project savings as a result of lower than anticipated construction costs. This action also partially offsets the revenue reductions associated with delaying the sale of the General Obligation Bonds and Sale of Land, as discussed above. The savings from this project are anticipated to be available in 2012-2013 once the sale of the General Obligation Bonds and Sale of Land are completed. These savings will be considered in the development of the 2013-2017 Proposed Capital Improvement Program.</p>				
<i>Southeast Branch</i>	Library Capital Program		(\$6,000,000)	
<p>Decreases the Southeast Branch appropriation by \$6.0 million due to delays in the acquisition of land, which has pushed out the construction schedule for this new branch library. This action also partially offsets revenue reductions associated with delaying the sale of the General Obligation Bonds and Sale of Land, as discussed above. This funding will be recommended to be reallocated to the Southeast Branch project as part of the 2013-2017 Proposed Capital Improvement Program.</p>				
TOTAL BRANCH LIB BOND PROJECT FD (472)			(\$7,538,000)	(\$7,538,000)
CFD #8 COMM HILL FUND (373)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$150,000)	
<p>Decreases the Ending Fund Balance to offset the action recommended below.</p>				
<i>Non-Personal/Equipment</i>	Transportation		\$150,000	
<p>Increases the Non-Personal/Equipment appropriation to provide for unanticipated tree maintenance work (\$45,000) and to provide landscape maintenance (\$105,000) for areas recently turned over to the maintenance district by the developer. It is anticipated that the cost of this ongoing maintenance need will be covered through annual assessments beginning in 2012-2013.</p>				
TOTAL CFD #8 COMM HILL FUND (373)			\$0	\$0
COMMUNITY FAC DIST #1 FUND (371)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$10,000)	
<p>Decreases the Ending Fund Balance to offset the increase recommended below.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
COMMUNITY FAC DIST #1 FUND (371)				
<i>Non-Personal/Equipment</i>	Transportation		\$10,000	
Increases the Non-Personal/Equipment allocation to provide for unanticipated tree maintenance work needed in the district. The palm trees in the boundaries of this community facilities district are bearing an unusually high amount of fruit this season and need to be pruned to minimize the hazard of falling fruit.				
TOTAL COMMUNITY FAC DIST #1 FUND (371)			\$0	\$0
CONST/CONV TAX CENTRAL FD (390)				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$160,000)	
Decreases the Ending Fund Balance to offset the adjustment to the Parks Facilities Capital Repairs project.				
<i>Parks Facilities Capital Repairs</i>	Parks & Comm Fac Dev Capital Program		\$160,000	
Establishes a new allocation for the Parks Facilities Capital Repairs project for \$160,000. This allocation will provide funding to address capital infrastructure repair needs such as floor repairs, equipment replacement, and roof repairs. In 2011-2012, funding of \$160,000 is recommended to be allocated from the Parks Central Fund Construction and Conveyance Tax Fund Ending Fund Balance. In addition, it is anticipated that the 2013-2017 Proposed Capital Improvement Program will include funding of \$60,000 annually from the Parks Central Construction and Conveyance Tax Fund, with additional funding being allocated from the Parks, Recreation and Neighborhood Services Department Non-Personal/Equipment appropriation in the General Fund as funding needs are evaluated.				
TOTAL CONST/CONV TAX CENTRAL FD (390)			\$0	\$0
CONST/CONV TAX FIRE FUND (392)				
<i>Ending Fund Balance Adjustment</i>	Public Safety Capital Program		(\$340,000)	
Decreases the Ending Fund Balance to offset actions recommended in this report.				
<i>Facilities Improvements</i>	Public Safety Capital Program		\$340,000	
Increases the Facilities Improvements appropriation by \$340,000 to fund urgent facility maintenance needs at Fire Station 11 (\$240,000) and Fire Station 15 (\$100,000). Due to mold issues, Fire Station 11 has become uninhabitable until mold abatement actions are taken. The station crew has moved out of the station and are living in temporary trailers until the repairs are made. In addition to mold abatement, Fire Station 11 needs repairs to the roof, the kitchen, the bathroom, and carpet replacement. Fire Station 15 also has some mold issues, but not severe enough to warrant the crew moving out of the station. In addition to mold abatement, Fire Station 15 needs repairs to the roof, the bathroom, and rodent extermination. A corresponding decrease to Ending Fund Balance is recommended to fund this action.				
TOTAL CONST/CONV TAX FIRE FUND (392)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX LIBRARY FD (393)				
<i>Facilities Improvement/Earned Revenue</i>	Library Capital Program		\$42,138	\$42,138
<p>Recognizes funding from the Vineland Branch Library debt service reserve account, previously held by the City's Trustee, as the bond was paid off in August 2011 and reserve funding is no longer needed. According to the City's Trustee, this funding must be expended within six months. Therefore, a corresponding action to allocate this funding to the Facilities Improvements appropriation is recommended. Funding will be used to evaluate options for security improvements at the Biblioteca Latinoamericana Branch Library.</p>				
TOTAL CONST/CONV TAX LIBRARY FD (393)			\$42,138	\$42,138
CONST/CONV TAX PKS CW FUND (391)				
<i>Family Camp Interim Dining Hall</i>	Parks & Comm Fac Dev Capital Program		(\$63,000)	
<p>Decreases the Family Camp Interim Dining Hall project by \$63,000 due to project savings. A corresponding action in this document recommends shifting this funding to the Family Camp Master Plan project as described below.</p>				
<i>Family Camp Master Plan</i>	Parks & Comm Fac Dev Capital Program		\$63,000	
<p>Increases the Family Camp Master Plan project by \$63,000. Additional funds are needed to conduct an archaeological cultural resource study associated with Native American artifacts that could possibly be discovered with any ground disturbance at San José Family Camp, as requested by the United States Forest Service. Funds will also be used to develop a noxious weed removal plan and for fees assessed by the Planning Department for the CEQA process. This report includes a corresponding decrease to the Family Camp Interim Dining Hall project.</p>				
<i>Happy Hollow East Side Improvements</i>	Parks & Comm Fac Dev Capital Program		(\$340,000)	
<p>Decreases the Happy Hollow East Side Improvements allocation by \$340,000 due to anticipated project savings. A corresponding action reallocates the funds to the Japanese Friendship Garden Tea House project, as described below.</p>				
<i>Japanese Friendship Garden Tea House</i>	Parks & Comm Fac Dev Capital Program		\$340,000	
<p>Establishes the Japanese Friendship Garden Tea House project for \$340,000. This project will provide funding to renovate the facility, thereby allowing the facility to be used for rentals, which will generate revenue in the future. Project elements may include constructing a ramp for wheelchair access, renovating the restrooms to bring them in line with current Americans with Disabilities Act standards, replacing the roof, and constructing interior improvements. Included in this report is a corresponding decrease to the Happy Hollow East Side Improvements project.</p>				
TOTAL CONST/CONV TAX PKS CW FUND (391)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Construction Excise Tax Revenue Estimate</i>	Traffic Capital Program			\$4,000,000
Increases the budgeted estimate for Construction Excise Tax receipts by \$4.0 million, from \$8.0 million to \$12.0 million. The 2011-2012 Adopted Capital Budget allowed for a decline of 40% from 2010-2011 levels, however through December, collections are down only 21%. The better than expected performance is primarily due to new residential construction activity. The additional funding is recommended to be placed in the Ending Fund Balance and will be considered in the development of the 2013-2017 Proposed Capital Improvement Program.				
<i>Copper Wire Replacement</i>	Traffic Capital Program		\$150,000	
Establishes an appropriation for Copper Wire Replacement in the amount of \$150,000 due to an increase in the number of streetlight copper wire thefts being experienced. The increase in thefts, which was detailed for the City Council in a January 2012 Information Memorandum, has contributed to a growing backlog of service requests to repair streetlight outages. Funds allocated for this purpose would be used for supplies and overtime for existing staff in completing repairs.				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		\$3,850,000	
Increases the Ending Fund Balance to offset actions recommended in this report.				
<i>Jackson Avenue and Alexian Drive Pedestrian Improvements/Earned Revenue</i>	Traffic Capital Program		\$35,000	\$35,000
Increases the estimate for Earned Revenue and establishes funding for the Jackson Avenue and Alexian Drive Pedestrian Improvements project. A total of \$35,000 was collected from a developer for pedestrian improvements, including the installation of pedestrian activated flashing beacons to enhance pedestrian crossings and traffic safety at the intersection.				
<i>Reserve - North San José Traffic Impact Fees/Earned Revenue</i>	Traffic Capital Program		\$2,501,426	\$2,501,426
Increases the estimate for Earned Revenue and funding to the Reserve - North San José Traffic Impact Fees to reflect actual traffic impact fees collected from developers. The funds are restricted to traffic improvements within the North San José Area and will be allocated as projects are identified.				
<i>Traffic Safety Education/Earned Revenue</i>	Traffic Capital Program		\$55,000	\$55,000
Recognizes grant funds collected through the Franklin McKinley Children's Initiative, under a grant from the California Office of Traffic Safety, and increases the Traffic Safety Education appropriation. Funds will be used for the ongoing education and encouragement of safe walking and biking behavior for school-aged children within the Franklin McKinley School District through assemblies, workshops, bicycle rodeos, and helmet fitting events.				
TOTAL CONSTRUCTION EXCISE TAX FD (465)			\$6,591,426	\$6,591,426

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONV/CULTURAL AFFAIRS FUND (536)				
<p><i>Convention Center Fixtures, Furniture, and Equipment</i></p> <p>Establishes an appropriation for Fixtures, Furniture, and Equipment (FF&E) at the City's Convention Facilities. The City's operator of these facilities, Team San José, has identified the need for FF&E funding at the facilities. Due to the condition of the existing FF&E at the City's facilities, Team San José has often had to rent equipment at a higher long-term cost than owning, and have received customer feedback about the need for improvements in this area, such as tables, place settings, garbage cans, etc. The recommended allocation of \$150,000 will allow Team San José to begin addressing this need and will be offset by a reduction to the Convention and Visitors Bureau appropriation in this fund.</p>	Convention Facilities Dept		\$150,000	
<p><i>Convention Center Kitchen Remodel</i></p> <p>Establishes an appropriation for design work related to the Convention Center kitchen. While working on the expansion/renovation of the Convention Center, the need for improvements to the kitchen, which is not currently funded in the project, has been identified. This allocation will allow for a 30% design for this project to determine the cost of a remodel. A plan to address this cost, if feasible, will be developed once the cost of the project is identified.</p>	Convention Facilities Dept		\$100,000	
<p><i>Convention and Visitors Bureau</i></p> <p>Decreases the allocation in this fund for Convention and Visitors Bureau (CVB) marketing services by \$412,000 as a result of better than anticipated performance in the Transient Occupancy Tax (TOT) Fund through December. Due to the fact that a portion of the additional current year TOT receipts in the TOT Fund are allocated for CVB marketing services, in accordance with the distribution formula outlined in the the San José Municipal Code as recommended elsewhere in this report, the allocation for CVB marketing services in the Convention and Cultural Affairs Fund can be reduced while preserving the same level of overall resources for the CVB.</p>	Convention Facilities Dept		(\$412,000)	
<p><i>Ending Fund Balance Adjustment</i></p> <p>Increases the Ending Fund Balance as a result of actions recommended in this document.</p>	Convention Facilities Dept		\$986,000	
<p><i>Non-Personal/Equipment/Earned Revenue</i></p> <p>Increases the Non-Personal/Equipment appropriation and estimate for Earned Revenue by \$3.5 million. As a result of higher than anticipated activity at the Convention Center, primarily contract labor and food and beverage, an increase to the Non-Personal/Equipment appropriation is recommended at this time with a corresponding increase in Earned Revenue as the costs are reimbursed by facility users. When the 2011-2012 budget was developed, it was assumed that some contracted events would be cancelled due to the temporary negative impacts from the Convention Center expansion project. Through December 2011, there has been minimal impact on operating revenues from the project.</p>	Convention Facilities Dept		\$3,500,000	\$3,500,000

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Transfer from the Transient Occupancy Tax Fund</i>	Convention Facilities Dept			\$824,000
Increases the transfer from the Transient Occupancy Tax (TOT) Fund by \$824,000 as a result of higher than anticipated 2011-2012 TOT collections and in accordance with the distribution formula outlined in the San José Municipal Code, as described elsewhere in this report. This additional funding is recommended to be put in the Ending Fund Balance and would be available for future use.				
TOTAL CONV/CULTURAL AFFAIRS FUND (536)			\$4,324,000	\$4,324,000
EDW BYRNE MEMORIAL JAG FD (474)				
<i>2009 Justice Assistance Grant (JAG)/Earned Revenue</i>	Police		\$70	\$70
Recognizes and appropriates additional interest earnings for the 2009 JAG in order to spend the funds before the spending deadline of September 30, 2012. The full grant and these interest earnings are anticipated to be expended by June 30, 2012.				
TOTAL EDW BYRNE MEMORIAL JAG FD (474)			\$70	\$70
GENERAL PURPOSE PARKING FD (533)				
<i>4th/San Fernando Garage Debt Service</i>	Transportation		(\$1,700,000)	
Eliminates the 4th/San Fernando Garage Debt Service allocation and reallocates the funds to a Reserve for Debt Service as recommended elsewhere in this report. This \$1.7 million debt service payment was originally anticipated to be funded by the City. Instead, due to the financial situation of the San Jose Redevelopment Agency (SJRA), the SJRA assumed the entire payment. A corresponding increase to the Reserve for Debt Service Payments is also recommended below.				
<i>Reserve for Debt Service</i>	Transportation		\$1,700,000	
Increases the Reserve for Debt Service by \$1.7 million by eliminating the 4th/San Fernando Garage debt service appropriation as recommended elsewhere in this report. A \$1.7 million debt service payment for the 4th/San Fernando Garage was originally anticipated to be funded by the City in the General Purpose Parking Fund. Instead, the San Jose Redevelopment Agency assumed the entire payment, as described above.				
TOTAL GENERAL PURPOSE PARKING FD (533)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
GIFT TRUST FUND (139)				
<i>Library - General Gifts/Earned Revenue</i>	Library		\$90,596	\$90,596
<p>Increases the Library-General Gifts appropriation and Earned Revenue estimate to recognize and appropriate gifts made in support of the following: Biblioteca Latinoamericana Branch for programming, supplies, and material (\$25,550); Cambrian Branch for programming, supplies, and materials (\$14,225); Alviso Branch for the Alviso Homework Center (\$12,200); Dr. Martin Luther King, Jr. Library for programming and supplies (\$6,000); Almaden Branch for programming and supplies (\$5,000); vending commissions for programming and supplies (\$4,314); Willow Glen Branch for programming, supplies, and materials (\$4,077); West Valley Branch for programming, supplies, and materials (\$3,150); Alum Rock Branch for the Ticket to Reading Program and programming and supplies (\$2,500); Santa Teresa Branch for programming and supplies (\$2,500); Joyce Ellington Branch for programming and supplies (\$2,327); volunteer services (\$1,750); Vineland Branch for programming and supplies (\$1,688); Pearl Branch for programming and supplies (\$1,588); Rose Garden Branch for programming and supplies (\$1,550); Edenvale Branch for programming and supplies (\$900); Berryessa Branch for materials (\$500); Santa Programs (\$349); East San Jose Carnegie Branch for programming (\$250); and business office for programming and supplies (\$178).</p>				
<i>Mayor's Gang Prevention Task Force Clean Slate Pgm/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$35,000	\$35,000
<p>Establishes the Mayor's Gang Prevention Task Force Clean Slate appropriation and increases the estimate for Earned Revenue by a total of \$35,000 in the Gift Trust Fund. This action accepts and appropriates a \$10,000 gift from the eBay Foundation and a \$25,000 gift received from a winner of the California Peace Prize, who specified that the prize was to be used for the Clean Slate program. This program supports gang prevention efforts, including the removal of gang symbol tattoos.</p>				
TOTAL GIFT TRUST FUND (139)			\$125,596	\$125,596
ICE CENTRE REVENUE FUND (432)				
<i>Ending Fund Balance Adjustment</i>	Finance		(\$2,000,000)	
<p>Decreases the Ending Fund Balance to offset the action recommended below.</p>				
<i>Fuel Cell Equipment</i>	Finance		\$2,000,000	
<p>Reappropriates funding for the reimbursement to the San José Arena Management (SJAM) for the purchase of a fuel cell system. Funds were appropriated last fiscal year to assist with the acquisition of the fuel cell system for the Ice Centre, which is managed by SJAM. Funds were inadvertently not rebudgeted in the 2010-2011 Annual Report. A corresponding decrease to the Ending Fund Balance is also included in this report to offset this action.</p>				
TOTAL ICE CENTRE REVENUE FUND (432)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
INTEGRATED WASTE MGT FUND (423)				
<i>CEC Grant: Biomass to Energy Technology Project</i>	Environmental Services		\$350,000	\$350,000
<p>This action recognizes and appropriates grant revenue from the California Energy Commission. The funds will be used for Phase I of the feasibility studies for a project to convert urban wood waste and biosolids into biomethane. The funding will pay for consultant support for these feasibility studies, as described in the Agreements for Biomass to Energy Technology Project memorandum presented to the City Council on April 19, 2011.</p>				
TOTAL INTEGRATED WASTE MGT FUND (423)			\$350,000	\$350,000
M.D. #15 SILVER CREEK FUND (368)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$500,000)	
<p>Decreases the Ending Fund Balance to offset the increase described below.</p>				
<i>Non-Personal/Equipment</i>	Transportation		\$500,000	
<p>Increases the Non-Personal/Equipment allocation to provide for unanticipated maintenance needs, such as trail repairs and rodent control, and the renovation of several landscape areas within the boundaries of this maintenance district.</p>				
TOTAL M.D. #15 SILVER CREEK FUND (368)			\$0	\$0
M.D. #19 RIVER OAKS FUND (359)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$25,000)	
<p>Decreases the Ending Fund Balance to offset the increase described below.</p>				
<i>Non-Personal/Equipment</i>	Transportation		\$25,000	
<p>Increases the Non-Personal/Equipment appropriation to provide for unanticipated median island repairs and renovation work. Several median islands in the area were recently improved, and this renovation work would improve the other median islands in this area to the same level.</p>				
TOTAL M.D. #19 RIVER OAKS FUND (359)			\$0	\$0
MULTI-SOURCE HOUSING FD (448)				
<i>CalHome (BEGIN) Program/Earned Revenue</i>	Housing		\$1,000,000	\$1,000,000
<p>Increases the CalHome (BEGIN) Program appropriation and the estimate for Earned Revenue to reflect anticipated funding from the U.S. Department of Housing and Urban Development. The program provides deferred payment loans for low- and moderate-income persons or families purchasing homes in targeted developments.</p>				
<i>Ending Fund Balance Adjustment</i>	Housing		(\$90,000)	
<p>Decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
MULTI-SOURCE HOUSING FD (448)				
<i>Extremely Low-Income Housing</i>	Housing		\$680,630	
Increases the Extremely Low-Income Housing appropriation to provide funding for affordable housing units to extremely low-income households (those earning less than 30% of area median income by household size). This increase will appropriate funds and align project funding to anticipated needs. A corresponding decrease to the Reserve for Special Projects is also included in this report to offset this action.				
<i>Family Shelter Project</i>	Housing		\$625,324	
Increases funding for the Family Shelter Project to continue financing the New Family Shelter project, which offers housing accommodations for families in a short-term stay facility. This increase will appropriate funds and align project funding to anticipated needs. A corresponding decrease to the Reserve for Special Projects is also included in this report to offset this action.				
<i>Rental Rehabilitation Program Projects</i>	Housing		\$90,000	
Increases the Rental Rehabilitation Program Projects to provide funding for rental property owners to make repairs, offset by a decrease to the Ending Fund Balance. In order to qualify for the grant, the rental properties are required to house low- to very low-income households.				
<i>Rental Rights and Referrals Program</i>	Housing		\$80,000	
Increases the Housing Department's Non-Personal/Equipment appropriation to provide funding for the Rental Rights and Referrals Program (RRRP). The RRRP has experienced an unanticipated increase in rental mediation costs as a result of more people moving into the rental market. The RRRP addresses rental housing issues, for which the City collects fees on an annual basis based on estimated activity levels to cover the costs for services such as mediation to settle tenant-landlord disputes, information and referral services, and outreach and education services. This additional funding for contractual services will be funded through a reserve that was set aside for that purpose. As a result, a corresponding decrease to the Reserve for Rental Rights and Referrals Program is also recommended elsewhere in this report. A full reconciliation of the program and the increase in activity will be considered as part of the development of the 2012-2013 Proposed Fees and Charges.				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
MULTI-SOURCE HOUSING FD (448)				
<i>Reserve for Rental Rights and Referrals Program</i>	Housing		(\$80,000)	
Decreases the Reserve for Rental Rights and Referrals Program to provide funding for the Rental Rights and Referrals Program (RRRP). The RRRP has experienced an unanticipated increase in rental mediation costs as a result of more people moving into the rental market. The RRRP addresses rental housing issues, for which the City collects fees on an annual basis based on estimated activity levels to cover the costs for services such as mediation services to settle tenant-landlord disputes, information and referral services, and outreach and education services. The additional funding for contractual services will be funded through this reserve that was set aside for that purpose. A corresponding increase to the Housing Department's Non-Personal/Equipment appropriation is also recommended elsewhere in this report to offset this action. A full reconciliation of the program and the increase in activity will be considered as part of the development of the 2012-2013 Proposed Fees and Charges.				
<i>Reserve for Special Projects</i>	Housing		(\$1,305,954)	
Decreases the Reserve for Special Projects to provide funding for the Family Shelter Project and Extremely Low-Income Housing appropriation. The corresponding increases, recommended in this report, to the Family Shelter Project and Extremely Low-Income Housing appropriation will align project funding.				
TOTAL MULTI-SOURCE HOUSING FD (448)			\$1,000,000	\$1,000,000
MUNICIPAL GOLF COURSE FUND (518)				
<i>Ending Fund Balance Adjustment</i>	Parks, Rec, & Neigh Svcs		\$39,500	
Increases the Ending Fund Balance due to a General Fund transfer as described below.				
<i>Golf Course Fund General Fund Transfer</i>	Parks, Rec, & Neigh Svcs			\$300,000
Increases the subsidy from the General Fund by \$300,000 to partially offset the adjustments to the budgeted revenue and expenditure estimates in this fund, as described elsewhere in this document. This additional funding will also help to ensure that the fund balance in this fund remains stable.				
<i>Golf Courses Revenue Estimates</i>	Parks, Rec, & Neigh Svcs			(\$170,500)
Decreases the estimate for Earned Revenue by a total of \$170,500 in the Municipal Golf Course Fund. In spite of the improvement in activity levels from 2010-2011, year-end revenue projections are anticipated to still fall below budgeted estimates. These recommended adjustments would adjust 2011-2012 revenues to be in line with current estimates. Revenue from the Los Lagos Golf Course is tracking below budgeted estimates by \$90,000. Revenue from San José Muni Golf Course is also projected to end the year below estimates by \$39,000. Interest earnings and Miscellaneous Revenue are also tracking to end the year below budgeted estimates by \$7,000 and \$34,500 respectively.				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
MUNICIPAL GOLF COURSE FUND (518)				
<i>Los Lagos Golf Course</i>	Parks, Rec, & Neigh Svcs		\$15,000	
Increases the Los Lagos Golf Course expenditure appropriation in the Municipal Golf Course Fund by \$15,000. Even with the slight improvement in activity levels at this course from the 2010-2011 activity levels, revenues are tracking below anticipated levels and net costs are tracking slightly above. This adjustment reflects the higher than anticipated net costs at the course. A corresponding decrease of \$15,000 to the Non-Personal/Equipment appropriation is also recommended in this report.				
<i>Non-Personal/Equipment</i>	Parks, Rec, & Neigh Svcs		(\$15,000)	
Decreases the Non-Personal/Equipment appropriation in the Municipal Golf Course Fund by \$15,000 to offset the increase to the Los Lagos Golf Course appropriation. Current tracking levels indicate year-end savings will be available.				
<i>Rancho del Pueblo Golf Course</i>	Parks, Rec, & Neigh Svcs		\$90,000	
Increases the Rancho del Pueblo Golf Course expenditure appropriation in the Municipal Golf Course Fund by \$90,000. Even with the slight improvement in activity levels at this course from the 2010-2011 activity levels, net costs are still tracking above the projected amount. This adjustment reflects the higher than anticipated net costs at the course.				
TOTAL MUNICIPAL GOLF COURSE FUND (518)			\$129,500	\$129,500
NEIGHBHD SECURITY BOND FD (475)				
<i>Contingency Reserve</i>	Public Safety Capital Program		(\$65,702)	
Decreases the Contingency Reserve to fund post construction needs in the Fire Station 2 - Rebuild project as discussed below.				
<i>Earned Revenue - General Obligation Bond Revenue</i>	Public Safety Capital Program			(\$3,325,000)
Reduces the Earned Revenue estimate from the Sale of General Obligation (GO) Bonds as part of the Neighborhood Security Act Bond by \$3.3 million. Based on the current financial market conditions, the City's timing needs for this funding, and cost/savings benefits of issuing multiple bond sales together, the Finance Department has determined that issuing the bonds in 2012-2013 would be more appropriate. A decrease to the Fire Station 21 - Relocation (White Road) appropriation is also recommended to offset this action.				
<i>Fire Station 2 - Rebuild</i>	Public Safety Capital Program		\$65,702	
Increases the Fire Station 2 - Rebuild appropriation by \$65,702 to cover costs associated with post-construction corrective actions. This funding will be used to fix the public address system in the station, rewire the heating and air conditioning controls in the dorm rooms, install bollards to prevent traffic from driving through the front walkway, and repair the air compressor system. A corresponding decrease to the Contingency Reserve is recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
NEIGHBHD SECURITY BOND FD (475)				
<i>Fire Station 21 - Relocation (White Road)</i>	Public Safety Capital Program		(\$4,800,000)	
Decreases the Fire Station 21 - Relocation (White Road) appropriation due to the construction award being postponed until 2012-2013. This action also offsets the sale of the General Obligation (GO) Bonds which has been delayed to 2012-2013 as discussed above. Part of the funding for Fire Station 21 is recommended to be appropriated in the Reserve: Fire Station 21 (\$1,475,000) for the remainder of 2011-2012; however, the full amount of \$4.8 million will be recommended to be programmed to the Fire Station 21 - Relocation project as part of the 2013-2017 Proposed Capital Improvement Program.				
<i>Reserve: Fire Station 21</i>	Public Safety Capital Program		\$1,475,000	
Establishes the Reserve: Fire Station 21 with funding from the Fire Station 21 - Relocation (White Road) appropriation (\$1,475,000) that will be recommended to be programmed to the Fire Station 21 - Relocation project as part of the 2013-2017 Proposed Capital Improvement Program.				
TOTAL NEIGHBHD SECURITY BOND FD (475)			(\$3,325,000)	(\$3,325,000)
PARKS & REC BOND PROJ FD (471)				
<i>Contingency Reserve: Parks and Recreation Bond Project</i>	Parks & Comm Fac Dev Capital Program		\$387,000	
Increases the Contingency Reserve: Parks and Recreation Bond Project allocation to reflect the receipt of higher than anticipated revenue in the Parks and Recreation Bond Projects Fund.				
<i>Earned Revenue</i>	Parks & Comm Fac Dev Capital Program			\$387,000
Increases the Earned Revenue estimate by \$387,000 to reflect the receipt of unanticipated revenues. The City received Proposition 13 grant funding of \$109,000 for eligible grant expenditures associated with the TRAIL: Guadalupe River Reach 6 (Woz Way to Willow Street) project. In addition, for the Series 2006 General Obligation Bond funds, \$274,000 was estimated to be the possible arbitrage rebate liability owed to the Internal Revenue Service and was transferred from the Parks and Recreation Bond Projects Fund to a cash-balance (unbudgeted) fund in 2007-2008. It was subsequently determined that there is no arbitrage liability, therefore, these funds, plus an additional \$4,000 of interest that was earned on the funds, can be returned to the Parks and Recreation Bond Projects Fund. A corresponding increase to the Contingency Reserve: Parks and Recreation Bond Projects is recommended in this report.				
TOTAL PARKS & REC BOND PROJ FD (471)			\$387,000	\$387,000

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ-SC TRMNT PLANT CAP FUND (512)				
<i>Advanced Process Control and Automation</i>	Water Pollution Control		(\$600,000)	
	Cap Prgm			
<p>This action decreases the Advanced Process Control and Automation appropriation by \$600,000, from \$1.8 million to \$1.2 million. Funding for the Distributed Control System Upgrade had been included in the Advanced Process Control and Automation appropriation for 2011-2012. However, due to the large scale of the Distributed Control System Upgrade project, it is recommended that a separate project be established and the funding be allocated to this project as recommended elsewhere in this report.</p>				
<i>Equipment Replacement</i>	Water Pollution Control		(\$1,465,000)	
	Cap Prgm			
<p>This action decreases the Equipment Replacement appropriation by \$1.5 million, from \$3.8 million to \$2.3 million. Funding for Urgent and Unscheduled Treatment Plant Rehabilitation and a portion of the Distributed Control System Upgrade was included in the Equipment Replacement appropriation, but due to the large scale of these projects, it is recommended that separate projects be established and the funding be allocated to these projects as recommended elsewhere in this report.</p>				
<i>Plant Infrastructure Improvements</i>	Water Pollution Control		(\$2,950,000)	
	Cap Prgm			
<p>This action decreases the Plant Infrastructure Improvements appropriation by \$2.95 million, from \$13.1 million to \$10.2 million. Funding for the Treatment Plant Engine Rebuild, Treatment Plant Fire Main Replacement, Treatment Plant Street Resurfacing, and a portion of the funding for Urgent and Unscheduled Repair and Rehabilitation was included in this appropriation for 2011-2012, however, due to the large scale of these projects, it is recommended that separate projects be established and the funding be allocated to these projects as recommended elsewhere in this report.</p>				
<i>Treatment Plant Distributed Control System</i>	Water Pollution Control		\$2,065,000	
	Cap Prgm			
<p>This action establishes a new Treatment Plant Distributed Control System appropriation to set aside funding for the replacement of the Plant distributed control system (DCS), which will no longer be supported by the system vendor beginning in 2015. The DCS monitors and controls most aspects of the Treatment Plant's operations and is continuously used by staff to monitor and manage the treatment processes and related equipment. Funding for this upgrade is currently set aside in the Equipment Replacement (\$1,465,000) and Advanced Process Control and Automation (\$600,000) appropriations, and it is recommended that these appropriations be reduced by corresponding amounts as part of this report. Because the Treatment Plant Distributed Control System replacement is a substantial project, it is recommended that a separate appropriation be established to allow for better financial tracking and visibility.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ-SC TRMNT PLANT CAP FUND (512)				
<p><i>Treatment Plant Engine Rebuild</i></p> <p>This action establishes a new Plant Engine Rebuild appropriation to set aside funding for the rebuild of several electrical generator engines at the Water Pollution Control Plant. This funding is currently budgeted in the Plant Infrastructure Improvements appropriation, which is recommended to be reduced by a corresponding amount as part of this report. Because the rebuild of the generator engines is a substantial project, it is recommended that a separate appropriation be established to allow for better financial tracking and visibility.</p>	Water Pollution Control Cap Prgm		\$1,000,000	
<p><i>Treatment Plant Street Resurfacing</i></p> <p>This action establishes a new Treatment Plant Street Resurfacing appropriation to set aside funding for the rehabilitation and repair of the street network at the Water Pollution Control Plant. The Treatment Plant street network consists of approximately 680,000 square feet of roads and lots, much of which is in need of reconstruction or rehabilitation. Funding for this work is currently budgeted in the Plant Infrastructure Improvements appropriation, which is recommended to be reduced by a corresponding amount as part of this report. Because the reconstruction of the Plant's street network is a substantial project, it is recommended that a separate appropriation be established to allow for better financial tracking and visibility.</p>	Water Pollution Control Cap Prgm		\$500,000	
<p><i>Urgent and Unscheduled Treatment Plant Rehabilitation</i></p> <p>This action establishes a new Urgent and Unscheduled Treatment Plant Rehabilitation appropriation to set aside funding for on-call contractor services to perform small scale urgent repairs and rehabilitation. Emergency replacement and repairs of equipment, and other uncheduled repair and rehabilitation are needed throughout the year due to the age of the Treatment Plant. Funding for this work is currently set aside in the Plant Infrastructure Improvements appropriation, which is recommended to be reduced by a corresponding amount as part of this report. Because substantial funding is needed each year for this type of on-call contractor support, it is recommended that a separate appropriation be established to allow for better financial tracking and visibility.</p>	Water Pollution Control Cap Prgm		\$250,000	
<p><i>Treatment Plant Fire Main Replacement</i></p> <p>This action establishes a new Treatment Plant Fire Main Replacement appropriation to set aside funding for the replacement of the fire main piping system at the Water Pollution Control Plant. The Plant fire main system consists of approximately 15,000 feet of pipe ranging in diameter from six to 12 inches, two electric pumps, and associated fire hydrants and valves. Most of this infrastructure is over 30 years old and in need of replacement. Funding for this work is currently set aside in the Plant Infrastructure Improvements appropriation, which is recommended to be reduced by a corresponding amount as part of this report. Because the fire main replacement is a multi-phase, high-cost project, it is recommended that a separate appropriation be established to allow for better financial tracking and visibility.</p>	Water Utility Sys Capital Program		\$1,200,000	
TOTAL SJ-SC TRMNT PLANT CAP FUND (512)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
STORM SEWER CAPITAL FUND (469)				
<i>Ending Fund Balance Adjustment</i>	Storm Sewer Capital Program		(\$25,000)	
This action decreases the Ending Fund Balance to offset the action recommended above.				
<i>Permit Review and Inspection for Outside Agencies</i>	Storm Sewer Capital Program		\$25,000	
Per State Law, the City and the Santa Clara Water District (District) do not charge each other for the review and inspection of projects. In 2011-2012, the District performed a widening of the Silver Creek channel, that had not been anticipated when the budget was developed. This creek channel widening required the relocation of streetlights and other utilities and will require significant City staff time to inspect. This action increases the Permit Review and Inspection for Outside Agencies by \$25,000, offset by a corresponding decrease in the Ending Fund Balance to provide for these costs.				
TOTAL STORM SEWER CAPITAL FUND (469)			\$0	\$0
SUBDIVISION PARK TRUST FUND (375)				
<i>Commodore Children's Park</i>	Parks & Comm Fac Dev Capital Program		\$1,734,000	
Establishes the Commodore Children's Park project in the amount of \$1,734,000. This project will provide funding to design a 3.2 acre neighborhood park in Council District 4. Project elements may include a parking lot, tot lot, youth lot, trellis structure with picnic tables, landscaping and planting, and an open natural turf field. Once the design portion of the project is completed, including community meetings, additional funding will be needed for the construction of the facility. The City has entered into an agreement with Pulte Home Corporation to provide a credit to the parkland in-lieu fees in exchange for an equivalent contribution to the City to provide 10 years of maintenance funding for the Commodore Children's Park once it is constructed and open to the public. This agreement is consistent with the City Council policy, as amended on June 14, 2011, that states City staff may proceed with the development of any new park or recreational facility if long-term non-General Fund funding for maintenance is identified.				
<i>Reserve: Commodore Children's Park Development</i>	Parks & Comm Fac Dev Capital Program		(\$1,734,000)	
Decreases the Reserve: Commodore Children's Park Development allocation to offset the establishment of the Commodore Children's Park project.				
TOTAL SUBDIVISION PARK TRUST FUND (375)			\$0	\$0
SUPPL LAW ENF SVCES FUND (414)				
<i>SLES Grant 2008-2010/Earned Revenue</i>	Police		\$1,102	\$1,102
Recognizes and appropriates interest revenue that was unallocated by the spending deadline of June 30, 2010 in order to return the unused balance to the State of California. A corresponding increase to the estimate for Earned Revenue is also recommended.				

Special/Capital Funds Recommended Budget Adjustments Summary 2011-2012 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SUPPL LAW ENF SVCES FUND (414)				
<i>SLES Grant 2010-2012/Earned Revenue</i>	Police		\$62,096	\$62,096
Recognizes and appropriates an additional payment from the State of California for the 2010-2012 SLES grant (\$58,852) as well as interest income earned on the funding for the 2010-2012 grant cycle (\$3,244). Funding will be used according to the spending plan that was revised and approved by the City Council on January 24, 2012. The spending plan allocates funding for hardware, software, technology upgrades, officer safety equipment, and enhancements in investigative abilities.				
TOTAL SUPPL LAW ENF SVCES FUND (414)			\$63,198	\$63,198
TRANSIENT OCCUPANCY TX FD (461)				
<i>Convention and Visitors Bureau</i>	Convention Facilities Dept		\$412,000	
Increases the allocation to the Convention and Visitors Bureau (CVB) by \$412,000, from \$3.0 million to \$3.4 million, as a result of higher than anticipated Transient Occupancy Tax collections and in accordance with the distribution formula outlined in the San José Municipal Code. This action allows for an equivalent reduction of CVB funding in the Convention and Cultural Affairs Fund to maintain the same service level, as described below.				
<i>Cultural Development</i>	Convention Facilities Dept		\$412,000	
Increases the allocation for Cultural Development by \$412,000, from \$4.6 million to \$5.0 million, as a result of higher than anticipated Transient Occupancy Tax collections and in accordance with the distribution formula outlined in the San José Municipal Code, as described below.				
<i>Transfer to the Convention and Cultural Affairs Fund</i>	Convention Facilities Dept		\$824,000	
Increases the transfer to the Convention and Cultural Affairs Fund by \$824,000, from \$5.6 million to \$6.4 million, as a result of higher than anticipated Transient Occupancy Tax collections and in accordance with the distribution formula outlined in the San José Municipal Code, as described below.				
<i>Transient Occupancy Tax Collections</i>	Finance			\$1,648,000
Increases the Transient Occupancy Tax revenue estimate by \$1,648,000, from \$10.8 million to \$12.45 million to reflect the actual 2010-2011 performance and current collections, which are tracking well above the prior year. A corresponding increase is recommended in the General Fund, which receives 40% of this tax. Please refer to the Status of General Fund Revenues section of this document (Section I.B.) for a more detailed discussion of the General Fund performance and the Status of Selected Special and Capital Funds (Section II) for a discussion of the actions in the Transient Occupancy Tax Fund.				
TOTAL TRANSIENT OCCUPANCY TX FD (461)			\$1,648,000	\$1,648,000
WATER UTILITY FUND (515)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$24,000)	
Decreases the Ending Fund Balance to offset the action recommended below.				

**Special/Capital Funds Recommended Budget Adjustments Summary
2011-2012 Mid-Year Budget Review**

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WATER UTILITY FUND (515)				
<i>Workers' Compensation Claims</i>	Human Resources		\$24,000	
Increases the Workers' Compensation Claims appropriation due to higher than anticipated claims activity in the Environmental Services Department. A corresponding decrease in the Ending Fund Balance is recommended to offset this action.				
TOTAL WATER UTILITY FUND (515)			\$0	\$0
WORKFORCE INVSTMNT ACT FD (290)				
<i>Reserve for Program Allocation/Earned Revenue</i>	Economic Development		\$671,209	\$671,209
Increases the Reserve for Program Allocation and recognizes grant funding from the State of California for the Adult and Dislocated Worker Programs. The increased funding will align with revised allotments issued by the U.S. Department of Labor and will be set aside for future program needs.				
TOTAL WORKFORCE INVSTMNT ACT FD (290)			\$671,209	\$671,209