

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT FISCAL AGENT FUND (525)				
Ending Fund Balance - Debt Service Reserve	Airport		\$1,000,000	
This action increases the Ending Fund Balance - Debt Service Reserve by \$1.0 million, from \$80.7 million to \$81.7 million, to ensure that the Airport meets the minimum bond reserve requirements in this fund. This transfer is necessary to offset the temporary fluctuation of the investment value of the securities, which is used to help meet the bond reserve requirement. A corresponding increase to the Transfers and Reimbursements revenue estimate is recommended in this report to offset this action.				
Transfers and Reimbursements	Airport			\$1,000,000
This action increases the Transfers and Reimbursements revenue estimate by \$1.0 million, from \$95.7 million to \$96.7 million, to account for an increase to the Transfer from the Airport Revenue Fund. This transfer will ensure that the Airport meets the minimum bond reserve requirements. A corresponding increase to the Ending Fund Balance - Debt Service Reserve and increase to the Transfer to the Airport Fiscal Agent Fund in the Airport Revenue Fund are recommended in this report to offset this action.				
TOTAL AIRPORT FISCAL AGENT FUND (525)			\$1,000,000	\$1,000,000
AIRPORT MAINT & OPER FUND (523)				
Operations Contingency	Airport		(\$70,000)	
This action decreases the Airport's Operations Contingency by \$70,000, from \$1,278,685 to \$1,208,685, to offset the increase in the Workers' Compensation Claims appropriation. Claims through December are higher than anticipated and are expected to exceed budget by year end. A corresponding increase to the Workers' Compensation Claims is recommended in this report.				
Workers' Compensation Claims	Human Resources		\$70,000	
This action increases the Workers' Compensation Claims appropriation by \$70,000, from \$563,462 to \$633,462. Claims through December are higher than anticipated and are expected to exceed budget by year end. A corresponding decrease to the Airport's Operations Contingency is recommended in this report to offset this action.				
TOTAL AIRPORT MAINT & OPER FUND (523)			\$0	\$0
AIRPORT RENEW & REPL FUND (527)				
Ending Fund Balance	Airport Capital Program		(\$551,000)	
This action decreases the Ending Fund Balance by \$551,000, from \$5.8 million to \$5.3 million. This action offsets the new Terminal B Expansion Ramp project which will reconstruct the ramp area south of Terminal B to a full strength concrete ramp.				

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

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AIRPORT RENEW & REPL FUND (527)				
<i>Terminal B Expansion Ramp</i>	Airport Capital Program		\$551,000	
<p>This action establishes the Terminal B Expansion Ramp appropriation in the amount of \$551,000. This project will reconstruct the ramp area south of Terminal B to a full strength concrete ramp. This area is currently used to park aircraft overnight; however, this reconstruction will provide greater use of this space and allow for ground boarding of aircraft. Currently, the gates at the Airport are filled to capacity during peak hours of the day. This project will help address that issue by allowing passengers to ground board. This funding is needed for design and design management work, which will be completed by the end of this fiscal year. Additional funding to complete this project will be requested as part of the 2018-2022 Proposed Capital Improvement Program. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
TOTAL AIRPORT RENEW & REPL FUND (527)			\$0	\$0
AIRPORT REV BOND IMP FUND (526)				
<i>Federal Inspection Facility Sterile Corridor Extension</i>	Airport Capital Program		\$423,000	
<p>This action increases the Federal Inspection Facility Sterile Corridor Extension appropriation by \$423,000, from \$463,000 to \$886,000. This project was initially intended to receive grant funding from the Federal Aviation Administration (FAA), which was budgeted in the Airport Capital Improvement Fund. However, it was later determined that the project did not meet FAA grant requirements. The additional funding will cover recorded expenses for this project that will be shifted from the Airport Capital Improvement Fund to the Airport Revenue Bond Improvement Fund. A corresponding decrease of \$423,000 to the Terminal A Ground Transportation Island Modification appropriation is recommended elsewhere in this report to offset this action.</p>				
<i>Southeast Ramp Reconstruction</i>	Airport Capital Program		\$400,000	
<p>This action increases the Southeast Ramp Reconstruction appropriation by \$400,000, from \$365,000 to \$765,000. Project costs and grant award for the Southeast Ramp Reconstruction have come in higher than the original estimate. Additional funding is required to meet the local share match of the Federal Aviation Administration grant that was awarded for this project. A corresponding decrease of \$400,000 to the Terminal A Ground Transportation Island Modification appropriation is recommended elsewhere in this report to offset this action.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

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AIRPORT REV BOND IMP FUND (526)				
<i>Terminal A Ground Transportation Island Modification</i>	Airport Capital Program		(\$823,000)	
<p>This action decreases the Terminal A Ground Transportation Island Modification appropriation by \$823,000, from \$2.8 million to \$2.0 million. This project is near completion and the Airport has identified alternate uses for the project's savings. This funding will be reallocated to the Southeast Ramp Reconstruction appropriation (\$400,000) and the Federal Inspection Facility (FIS) Sterile Corridor Extension appropriation (\$423,000) to ensure adequate funding is available for these projects. Corresponding increases to the Southeast Ramp Reconstruction and FIS Sterile Corridor Extension appropriations are recommended in this report to offset this action.</p>				
TOTAL AIRPORT REV BOND IMP FUND (526)			\$0	\$0
AIRPORT REVENUE FUND (521)				
<i>Ending Fund Balance - Airline Agreement Reserve</i>	Airport		(\$1,000,000)	
<p>This action decreases the Ending Fund Balance - Airline Agreement Reserve by \$1.0 million, from \$48.3 million to \$47.3 million, to offset a transfer to the Airport Fiscal Agent Fund.</p>				
<i>Transfer to the Airport Fiscal Agent Fund</i>	Airport		\$1,000,000	
<p>This action increases the Transfer to the Airport Fiscal Agent Fund by \$1.0 million, from \$48.1 million to \$49.1 million, to ensure that the Airport meets the minimum bond reserve requirements in the Airport Fiscal Agent Fund. This transfer is necessary to offset the temporary fluctuation of the investment value of the securities, which is used to help meet the bond reserve requirement. A corresponding decrease to the Ending Fund Balance - Airline Agreement Reserve and increase to the Transfers and Reimbursements appropriation in the Airport Fiscal Agent Fund are recommended in this report to offset this action.</p>				
TOTAL AIRPORT REVENUE FUND (521)			\$0	\$0
BENEFIT FUND (160)				
<i>401(a) Defined Contribution Retirement Plan/Transfers</i>	Human Resources		\$20,000	\$20,000
<p>This action increases the 401(a) Defined Contribution Retirement Plan appropriation and corresponding revenue estimate for Transfers from various City funds by \$20,000 (from \$136,000 to \$156,000). Based on the current trend, it is anticipated that the City's contributions to the Tier 3 401(a) retirement plan will exceed the current budget due to an increase in newly hired employees in Unit 99 opting into Tier 3 in lieu of Tier 2B than assumed in the development of the 2016-2017 Adopted Budget.</p>				
<i>FICA-Medicare/Transfers</i>	Human Resources		\$481,000	\$481,000
<p>This action increases the FICA-Medicare appropriation and corresponding revenue estimate for Transfers from various City funds by \$481,000 (from \$7.7 million to \$8.2 million). These costs, which are supported by various City funds, have been tracking at higher levels than assumed in the development of the 2016-2017 Adopted Budget.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

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BENEFIT FUND (160)				
<i>PTC 457/Transfers</i>	Human Resources		\$100,000	\$100,000
<p>This action increases the Part-Time, Temporary, and Contractual (PTC) 457 appropriation and corresponding revenue estimate for Transfers from various City funds by \$100,000 (from \$1.18 million to \$1.28 million). The PTC 457 Plan is a Deferred Compensation Plan required for employees that are not covered by one of the City of San José's retirement systems (Federated or Police and Fire). Per federal regulations, the PTC 457 Plan requires employee and employer contributions. The appropriation and corresponding revenue, which account for the employer contributions to the PTC 457 Plan, have been tracking at higher levels than assumed in the development of the 2016-2017 Adopted Budget.</p>				
TOTAL BENEFIT FUND (160)			\$601,000	\$601,000
BLDG & STRUCT CONST TAX FD (429)				
<i>Miscellaneous Multimodal Projects (Reallocation to Ocala Avenue Pedestrian Improvements)</i>	Capital Projects		(\$250,000)	
<p>This action decreases the Miscellaneous Multimodal Projects appropriation by \$250,000 (from \$250,000 to \$0) and reallocates the funding to the Ocala Avenue Pedestrian Improvements project to fund an increased project scope. A corresponding increase to the Ocala Avenue Pedestrian Improvements appropriation is recommended in this report to offset this action.</p>				
<i>Ocala Avenue Pedestrian Improvements (Reallocation from Miscellaneous Multimodal Projects)</i>	Capital Projects		\$250,000	
<p>This action increases the Ocala Avenue Pedestrian Improvements appropriation by \$250,000 (from \$2.1 million to \$2.3 million) to fund an increased project scope. A lighting analysis revealed insufficient street lighting on Ocala Avenue from Daytona Drive to East Capital Expressway. The funding allows for the installation of 19 additional streetlights and upgrades to three existing streetlights. A corresponding decrease to the Miscellaneous Multimodal Projects appropriation is recommended in this report to offset this action.</p>				
<i>Regional Policy and Legislation (Reallocation to Safety-Pedestrian Improvements)</i>	Capital Projects		(\$65,000)	
<p>This action decreases the Regional Policy and Legislation appropriation by \$65,000 (from \$250,000 to \$185,000) and reallocates the funding to the Safety-Pedestrian Improvements project to fund staff support related to the Vision Zero Program. A corresponding increase to the Safety-Pedestrian Improvements Project is recommended in this report to offset this action.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Safety-Pedestrian Improvements (Reallocation from Regional Policy and Legislation)</i>	Capital Projects		\$65,000	
<p>This action increases the Safety-Pedestrian Improvements appropriation by \$65,000 (from \$998,000 to \$1.1 million) to fund staff support related to the Vision Zero Program. One Senior Transportation Specialist will shift from performing regional policy and legislation analysis to overseeing pedestrian safety improvement projects, contributing to the implementation of traffic safety enhancements focused on improving pedestrian crossings on major roads. The Safety-Pedestrian Improvements Project supports the Vision Zero goal of reducing major injury vehicle crashes and eliminating fatal crashes. A corresponding decrease to the Regional Policy and Legislation appropriation is recommended in this report to offset this action.</p>				
TOTAL BLDG & STRUCT CONST TAX FD (429)			\$0	\$0
CFD #2 AND CFD #3 FUND (369)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$250,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Non-Personal/Equipment (Miscellaneous Program Needs)</i>	Transportation		\$250,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$250,000 (from \$1.10 million to \$1.35 million) in the Community Facilities District #2 (Aborn-Murillo) and Community Facilities District #3 (Silverland-Capriana) Funds for increased irrigation costs (\$150,000), an irrigation controller hub upgrade (\$15,000), storm water control measures (\$35,000), and tree pruning/removal/replacement (\$50,000). Both districts have experienced higher than anticipated irrigation costs due to malfunctioning water programming timers and billing costs overlapping fiscal years. To mitigate these excessive irrigation costs, this funding will provide for a controller hub upgrade that allows for web-based monitoring of all water usage in the districts. Additionally, this funding will provide for improvements around lakes to prevent erosion, implement storm water control measures, as well as support contractual costs for the removal, replacement, and pruning of trees posing safety risks to the public. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
TOTAL CFD #2 AND CFD #3 FUND (369)			\$0	\$0
CONST/CONV TAX CENTRAL FD (390)				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$25,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended below.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

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CONST/CONV TAX CENTRAL FD (390)				
<i>Parks Maintenance District Feasibility Study</i>	Parks & Comm Fac Dev Capital Program		\$25,000	
<p>This action increases the Parks Maintenance District Feasibility Study by \$25,000, bringing the total allocation to \$150,000. The study explores establishing a Downtown Parks Maintenance District and a city-wide Parks Maintenance District, as directed by the City Council on November 6, 2015. Increased funding of \$25,000 is recommended to be allocated to the study due to an increased project scope to include public opinion polling. A corresponding decrease to the Parks Central Construction and Conveyance Tax Fund Ending Fund Balance is recommended above to offset this action.</p>				
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		(\$42,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Self-Contained Breathing Apparatus (SCBA) Equipment</i>	Public Safety Capital Program		\$42,000	
<p>This action increases the Self-Contained Breathing Apparatus (SCBA) Equipment appropriation by \$42,000, from \$27,000 to \$69,000, to replenish inventory for the April 2017 Firefighter Recruit Academy and for the annual mask fit test for all sworn personnel. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>				
TOTAL CONST/CONV TAX FIRE FUND (392)			\$0	\$0
CONST/CONV TAX LIBRARY FD (393)				
<i>Acquisition of Materials (Sales Tax)</i>	Library		\$96,000	
<p>This action increases the Acquisition of Materials appropriation by \$96,000 (from \$4.1 million to \$4.2 million) in the Construction Tax and Property Conveyance Tax Fund. In response to the California Board of Equalization (BOE) audit of Sales and Use Tax, it was determined that the Library Department is responsible to pay \$96,000 of tax and associated interest for the period July 2012 through June 2015 for the acquisition of books and other library materials. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Library		(\$96,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL CONST/CONV TAX LIBRARY FD (393)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PK CD 6 FUND (384)				
<i>Buena Vista Park Improvements</i>	Parks & Comm Fac Dev Capital Program		\$120,000	
<p>This action establishes the Buena Vista Park Improvements project totaling \$120,000. Unexpended Proposition 84 grant funding was recently approved from the State of California to be allocated to improvements at Buena Vista Park. Project elements may include installation of a shade structure, drinking fountain, landscaped walkways, and trash receptacles. The grant award totals \$100,000 with a mandatory 20% local match (\$20,000) requirement and stipulates the project must be completed by spring 2017. The grant funding is provided on a reimbursement basis, therefore this report includes a corresponding reduction of \$120,000 from the Council District 6 Construction and Conveyance Tax Fund Ending Fund Balance. Once the grant funding (\$100,000) is received (anticipated in 2017-2018) the Council District 6 Construction and Conveyance Tax Fund Ending Fund Balance will be reimbursed accordingly.</p>				
<i>Del Monte Park Expansion Phase II</i>	Parks & Comm Fac Dev Capital Program		(\$175,000)	
<p>This action eliminates the Del Monte Park Expansion Phase II project totaling \$175,000 in the Council District 6 Construction and Conveyance Tax Fund. The Del Monte Park Expansion Phase II project, which provides funding to construct a multi-purpose turf field and other amenities at Del Monte Park, is under construction and is anticipated to open to the public in winter 2017. Sufficient funding to complete the project is available in the Park Trust Fund; therefore, this action recommends eliminating the project in the Council District 6 Construction and Conveyance Tax Fund. A corresponding increase to the Council District 6 Construction and Conveyance Tax Funding Ending Fund Balance is recommended below to offset this action.</p>				
<i>Del Monte Park Expansion Phase III Land Acquisition</i>	Parks & Comm Fac Dev Capital Program		\$188,000	
<p>This action increases the Del Monte Park Expansion Phase III Land Acquisition allocation by \$188,000, bringing the allocation to \$348,000 in the Council District 6 Construction and Conveyance Tax Fund (additional funding of \$640,000 is included in the Park Trust Fund for the land purchase). The property purchase, which is needed to construct phase III improvements at Del Monte Park, was approved by the City Council on August 16, 2016. The action recommended as part of this report increases the project budget due to higher than anticipated relocation costs (\$13,000) and expands the project scope to include funding for demolition costs (\$175,000). A corresponding decrease to the Council District 6 Construction and Conveyance Tax Funding Ending Fund Balance is recommended below to offset this action.</p>				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$133,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended above.</p>				
TOTAL CONST/CONV TAX PK CD 6 FUND (384)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PK CD10 FD (389)				
<i>Almaden Lake Park Playground Improvements</i>	Parks & Comm Fac Dev Capital Program		\$150,000	
<p>This action establishes the Almaden Lake Park Playground Improvements project in the amount of \$150,000. Project elements include removing the existing rope structures in the playground that have severely deteriorated and are causing safety concerns and replacing the rope structures with new playground equipment. A corresponding decrease to the Council District 10 Construction and Conveyance Tax Fund Ending Fund Balance is recommended below to offset this action.</p>				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$150,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended above.</p>				
TOTAL CONST/CONV TAX PK CD10 FD (389)			\$0	\$0
CONST/CONV TAX PKS CW FUND (391)				
<i>Guadalupe Gardens Soccer Facility Feasibility Study</i>	Parks & Comm Fac Dev Capital Program		\$30,000	
<p>This action establishes the Guadalupe Gardens Soccer Facility Feasibility Study in the amount of \$30,000. This project provides funding to conduct a feasibility study related to the potential design and construction of a soccer facility at Guadalupe River Park and Gardens Park. A corresponding decrease to the Guadalupe Gardens Soccer Facility Reserve is recommended below to offset this action.</p>				
<i>Guadalupe Gardens Soccer Facility Reserve</i>	Parks & Comm Fac Dev Capital Program		(\$30,000)	
<p>This action decreases the Guadalupe Gardens Soccer Facility Reserve by \$30,000, bringing the reserve to \$4.2 million. A corresponding action is recommended above to allocate the funding to the Guadalupe Gardens Soccer Facility Feasibility Study.</p>				
TOTAL CONST/CONV TAX PKS CW FUND (391)			\$0	\$0
CONST/CONV TAX SRVC YDS FD (395)				
<i>Capital Program and Public Works Department Support Service Costs</i>	Public Works		\$5,000	
<p>This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$5,000 (from \$0 to \$5,000) to account for Public Works support staff costs. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Works		(\$505,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

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CONST/CONV TAX SRVC YDS FD (395)				
<i>Phase II Commercial Paper</i>	Public Works		\$500,000	
<p>This action increases the Phase II Commercial Paper appropriation to the Public Works Department by \$500,000, from \$178,000 to \$678,000. This appropriation is for payment of the interest accrued on outstanding commercial paper notes for Phase II of the Central Service Yard project. The initial budget assumed the sale of the Main Yard property in September 2016; however, this sale was delayed. The planning process has taken longer than anticipated and the underwriting for the sale has gone through revision. As a result of the delay, additional interest has accrued on the outstanding debt and will continue to accrue until the sale takes place. While the targeted escrow is March 31, 2017, the additional funding will cover the interest through June 2016. A corresponding decrease to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>				
TOTAL CONST/CONV TAX SRVC YDS FD (395)			\$0	\$0
CONSTRUCTION EXCISE TAX FD (465)				
<i>Bicycle and Pedestrian Facilities/Revenue from State of California</i>	Capital Projects		(\$193,000)	(\$128,000)
<p>This action decreases the Bicycle and Pedestrian Facilities project by \$193,000 (from \$2.0 million to \$1.8 million) and corresponding estimate for Revenue from State of California by \$128,000 due to the expiration of a 3-year cycle grant. Grants for this project are awarded annually by the State of California under the Transportation Development Act and expire after three years. The 2013-2014 grant expired on June 30, 2016, and all eligible expenditures have been invoiced for reimbursement. Due to staffing shortages, several improvements within this project scope were not completed within the 3-year window for grant reimbursement. As a result, the grant support and local match are recommended to be decreased.</p>				
<i>Bikeways Program (OBAG)/Revenue from Federal Government</i>	Capital Projects		(\$500,000)	(\$500,000)
<p>This action decreases the Bikeways Program (OBAG) appropriation and corresponding estimate for Revenue from Federal Government by \$500,000 (from \$1.4 million to \$900,000) because of a revised timeline for the project. A recent land survey and title reports revealed that adjacent properties overlap with the project boundaries on Meridian Avenue, between Douglas Street and Auzerais Avenue. The award of the construction contract will be delayed to allow for the additional time required for staff review of right-of-way easements and potential project rescoping. This project provides funding for the installation of various bicycle facilities, including sidewalks, crosswalks, bike lanes, bike routes, and bike parking. The construction contract is anticipated to be awarded in June 2018.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Developer Contributions (Pedestrian Safety in Districts 6 and 9: Branham Lane Road Diet)</i>	Capital Projects			\$50,000
This action increases the estimate for Developer Contributions by \$50,000 to recognize the receipt of the contribution from the developer for the Pedestrian Safety in Districts 6 and 9: Branham Lane Road Diet project. The Mayor's June Budget Message for 2015-2016, which was approved by City Council on June 9, 2015, allocated \$400,000 towards a road diet project to narrow Branham Lane from six lanes to four lanes between Almaden Expressway and Highway 87. The funding for the project was rebudgeted as part of the 2016-2017 Proposed Capital Improvements Program. The anticipated developer contribution of \$50,000 was inadvertently not rebudgeted in 2016-2017. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.				
<i>East San José Bike/Pedestrian Transit Connection (OBAG) (Reallocation to Kirk Avenue Sidewalk Improvements)</i>	Capital Projects		(\$200,000)	
This action decreases the East San José Bike/Pedestrian Transit Connection (OBAG) appropriation by \$200,000 (from \$2.5 million to \$2.3 million) because design costs for this project, which are not grant reimbursable, came in lower than anticipated. The savings are recommended to be reallocated to support the implementation of the Kirk Avenue Sidewalks Improvement project in partnership with Santa Clara County. A corresponding action to establish the Kirk Avenue Sidewalk Improvements Project is recommended in this report to offset this action.				
<i>Ending Fund Balance Adjustment</i>	Capital Projects		(\$200,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Evergreen Traffic Impact Fees Reserve/Fees, Rates, and Charges</i>	Capital Projects		\$158,270	\$158,270
This action increases the Evergreen Traffic Impact Fees Reserve and corresponding estimate for Fees, Rates, and Charges by \$158,270 to reflect actual traffic impact fees collected from developers through December 2016. The use of these funds are restricted to traffic improvements within the Evergreen Area and will be allocated as projects are identified.				
<i>Inter-Agency Encroachment Permit/Licenses and Permits</i>	Capital Projects		\$300,000	\$300,000
This action increases the Inter-Agency Encroachment Permit appropriation and corresponding estimate for Licenses and Permits by \$300,000 (from \$300,000 to \$600,000) for inspection work related to several large regional transportation projects. This annual allocation provides fee-reimbursed funding for the purpose of recovering, to the extent allowed by law, the City's permit and inspection costs related to revocable street encroachment permits under Chapter 13.36 of the Municipal Code. The fee-reimbursed inspection costs and corresponding revenue are tracking to exceed original estimates due to higher than anticipated activity related to the Bus Rapid Transit Program, VTA: 280/880/Stevens Creek Upgrade, and VTA: Capitol Expressway Light Rail Pedestrian Bus Improvements.				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Kirk Avenue Sidewalk Improvements (Reallocation from East San José Bike/Pedestrian Transit Connection (OBAG))</i>	Capital Projects		\$200,000	
<p>This action establishes an appropriation for the Kirk Avenue Sidewalks Improvement project in the amount of \$200,000. Santa Clara County is administering the project, and a cost sharing agreement is being developed that will allow the City to reimburse the County for construction work completed within the City's jurisdiction. Savings reallocated from the The East San José Bike/Pedestrian Transit Connection (OBAG) project will fund the City portion of this new project, which is in proximity to Linda Vista Elementary School. A corresponding decrease to the East San José Bike/Pedestrian Transit Connection (OBAG) project is recommended in this report to offset this action.</p>				
<i>Local Transportation and Policy Planning (Transportation Impact Analysis)</i>	Capital Projects		\$250,000	
<p>This action increases the Local Transportation and Policy Planning appropriation by \$250,000 (from \$150,000 to \$400,000) to fund a re-evaluation of the City's transportation impact analysis guidelines. On July, 27 2016, the Rules and Open Government Committee approved a recommendation to update the traffic impact analysis guidelines to accommodate the State mandated transition to a vehicle miles traveled based metric in the assessment of environmental impacts under the California Environmental Quality Act (CEQA). This funding supports additional consultant work for the technical, legal, and environmental analysis required for the transportation environmental impact reassessment process. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
<i>Miscellaneous Street Improvements/Developer Contributions</i>	Capital Projects		\$38,116	\$38,116
<p>This action increases the Miscellaneous Street Improvements appropriation and corresponding estimate for Developer Contributions by \$38,116 for traffic improvements near Westfield Valley Fair shopping center. This contribution funds the installation of additional lane delineators on Monroe Street to allow for safer traffic flow.</p>				
<i>North San José Traffic Impact Fees Reserve/Fees, Rates, and Charges</i>	Capital Projects		\$1,842,249	\$1,842,249
<p>This action increases the North San José Traffic Impact Fees Reserve and corresponding estimate for Fees, Rates, and Charges by \$1,842,249 to reflect actual traffic impact fees collected from developers through December 2016. The use of these funds are restricted to traffic improvements within the North San José area and will be allocated as projects are identified.</p>				
<i>Pavement Maintenance - City/Developer Contributions</i>	Capital Projects		\$8,260	\$8,260
<p>This action increases the Pavement Maintenance - City appropriation and estimate for Developer Contributions by \$8,260 to recognize and appropriate a developer contribution for pavement work completed on West Santa Clara Street.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Pavement Maintenance - City/Revenue from the State of California</i>	Capital Projects		\$249,900	\$249,900
<p>This action increases the Pavement Maintenance - City appropriation and corresponding estimate for Revenue from State of California by \$249,900 for revenue received from the California Department of Resources Recycling and Recovery (CalRecycle) related to a pavement recycling rebate. As part of CalRecycle's Rubberized Pavement Grant Program, the City received funding for the use of rubberized asphalt derived from waste tires in the Pavement Maintenance Program. This funding will support additional sealing and resurfacing of streets in the Priority Street Network throughout the City.</p>				
<i>Pavement Maintenance - Measure B/Revenue from Local Agencies</i>	Capital Projects		\$408,732	\$408,732
<p>This action increases the Pavement Maintenance - Measure B appropriation and corresponding estimate for Revenue from Local Agencies by \$408,732 to recognize Measure B revenue received over the estimate. This allocation, funded by Santa Clara County Measure B vehicle registration fees, provides funding to seal and resurface streets in the Priority Streets Network throughout the City.</p>				
<i>Route 101/Oakland/Mabury Traffic Impact Fees Reserve/Fees, Rates, and Charges</i>	Capital Projects		\$2,885,363	\$2,885,363
<p>This action increases the Route 101/Oakland/Mabury Traffic Impact Fees Reserve and corresponding estimate for Fees, Rates, and Charges by \$2,885,363 to reflect actual traffic impact fees collected from developers through December 2016. The use of these funds are restricted to traffic improvements within the Route 101/Oakland/Mabury area and will be allocated as projects are identified.</p>				
<i>Safety-Pedestrian Improvements</i>	Capital Projects		\$65,000	
<p>This action increases the Safety-Pedestrian Improvements appropriation by \$65,000 to fund staff support related to the Vision Zero Program. One Senior Transportation Specialist will shift from working on bicycle and pedestrian facilities projects to overseeing pedestrian safety improvement projects, contributing to the implementation of traffic safety enhancements focused on improving pedestrian crossings on major roads. The Safety-Pedestrian Improvements project supports the Vision Zero goal of reducing major injury vehicle crashes and eliminating fatal crashes. Unspent funds in the Bicycle and Pedestrian Facilities Project are available to offset this cost.</p>				
TOTAL CONSTRUCTION EXCISE TAX FD (465)			\$5,312,890	\$5,312,890
CONV CTR FACIL DIST REV FD (791)				
<i>Ending Fund Balance Adjustment</i>	Convention Facilities Dept		\$18,489	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONV CTR FACIL DIST REV FD (791)				
<i>Non-Annexed Hotel Revenue Reserve</i>	Convention Facilities Dept		\$462,511	
<p>This action increases the Non-Annexed Hotel Revenue Reserve by \$462,511 (from \$3,038,000 to \$3,500,511). This Reserve reflects revenues received from hotels that are not yet part of the Convention Center Facilities District. These revenues have been set aside until the hotels are included in the District. This Reserve increase results from a reconciliation of 2015-2016 receipts which identified additional revenue received than previously estimated. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
<i>Convention Center Boiler Protection</i>	Muni Improvements Capital Program		\$319,000	
<p>This action increases the Convention Center Boiler Protection appropriation by \$319,000 (from \$196,000 to \$515,000) to fund the additional work required to integrate the heat exchangers and boilers. This project funds the Convention Center's heat exchangers for the boilers that are more than 30 years old and failing. This project also designs and installs a water treatment system to protect the replaced heat exchangers. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
<i>Convention Center Concourse Column Covers</i>	Muni Improvements Capital Program		(\$800,000)	
<p>This action eliminates the Convention Center Concourse Column Covers appropriation in the Convention Center Facilities District Fund (CCFD) and shifts the project to the Convention and Cultural Affairs Fund. This project provides funding to add stainless steel diamond plates to the concrete columns that run throughout the Convention Center concourse. In 2015-2016, a higher than anticipated portion of CCFD Tax Revenues (\$462,511) were received from hotels not yet part of the CCFD, thereby reducing the amount of funding available for capital projects as that funding can not yet be expended. As a result, this project is being shifted to the Convention and Cultural Affairs Fund. Corresponding increases to the Ending Fund Balance in this fund and the Convention Center Concourse Column Covers appropriation in the Convention and Cultural Affairs Fund are recommended in this report.</p>				
TOTAL CONV CTR FACIL DIST REV FD (791)			\$0	\$0
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Center for Performing Arts (CPA) Rehabilitation</i>	Muni Improvements Capital Program		\$730,000	
<p>This action establishes a Center for Performing Arts Rehabilitation appropriation in the amount of \$730,000. This amount includes \$230,000 previously included in the Cultural Facilities Rehabilitation/Repair – Structures appropriation for an initial assessment of rehabilitation needs, an additional \$300,000 to increase the assessment's scope to include a draft schedule of capital improvements, and \$200,000 to repair two dilapidated catwalks and install two additional catwalks. As more significant improvements at the CPA begin, establishing a separate project is now appropriate. A corresponding decrease to the Center for Performing Arts Rehabilitation Reserve is recommended to offset this action.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Center for Performing Arts (CPA) Rehabilitation Reserve</i>	Muni Improvements		(\$730,000)	
This action decreases the Center for Performing Arts (CPA) Rehabilitation Reserve by \$730,000 (from \$2.0 million to \$1.3 million). A corresponding action is recommended elsewhere to establish the Center for Performing Arts Rehabilitation appropriation that includes \$230,000 previously included in the Cultural Facilities Rehabilitation/Repair – Structures appropriation for an initial assessment of rehabilitation needs, an additional \$300,000 to increase the assessment’s scope to include a draft schedule of capital improvements, and \$200,000 to repair two dilapidated catwalks and install two additional catwalks. A corresponding increase to the Center for Performing Arts Rehabilitation appropriation is recommended to offset this action.	Capital Program			
<i>Convention Center Concourse Column Covers</i>	Muni Improvements		\$800,000	
This action establishes a Convention Center Concourse Column Covers appropriation in the amount of \$800,000. This project, originally programmed in the Convention Center Facilities District (CCFD) Fund, provides funding to add stainless steel diamond plates to the concrete columns that run throughout the Convention Center concourse. In 2015-2016, a higher than anticipated portion of CCFD Tax Revenues (\$462,511) were received from hotels not yet part of the CCFD. These revenues are held in reserve until such time that the hotel is included in the CCFD. As a result, this project is being shifted to the Convention and Cultural Affairs Fund. Corresponding decreases to the Cultural Facilities Rehabilitation/Repair - Mechanical appropriation and Ending Fund Balance are recommended to offset this action.	Capital Program			
<i>Cultural Facilities Rehabilitation/Repair - Electrical</i>	Muni Improvements		\$231,000	
This action increases the Cultural Facilities Rehabilitation/Repair - Electrical appropriation by \$231,000 (from \$721,000 to \$952,000) to install lighting at the Center for Performing Arts (CPA) and Convention Center garage for a PG&E energy efficiency program and security cameras near the kitchen and warehouse areas that were removed during the renovation at the Convention Center. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.	Capital Program			
<i>Cultural Facilities Rehabilitation/Repair - Mechanical</i>	Muni Improvements		(\$262,000)	
This action decreases the Cultural Facilities Rehabilitation/Repair - Mechanical appropriation by \$262,000 (from \$570,000 to \$308,000) to reflect the deferral of the Convention Center garage digital parking reader boards and the Center for Performing Arts chiller replacement projects that will not need to be replaced in the immediate future. Funding from these projects can instead be used to partially offset more time critical projects such as the Convention Center Concourse Column Covers.	Capital Program			

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Cultural Facilities Rehabilitation/Repair - Miscellaneous</i>	Muni Improvements Capital Program		\$45,000	
<p>This action increases the Cultural Facilities Rehabilitation/Repair - Miscellaneous appropriation by a net \$45,000 (from \$504,000 to \$549,000) to purchase outdoor tables in the Convention Center courtyard area and upgraded software to better manage the heating and air conditioning controls in the Convention Center. This funding increase was partially offset by \$30,000 of funding for the purchase of a truck that is no longer needed since some recently purchased carts address the need. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
<i>Cultural Facilities Rehabilitation/Repair - Structures</i>	Muni Improvements Capital Program		\$153,000	
<p>This action increases the Cultural Facilities Rehabilitation/Repair - Structures appropriation by a net \$153,000 (from \$1,622,000 to \$1,775,000) to fund the following: the purchase and installation of safety equipment required to clean and repair the barrel roof at the Convention Center (\$280,000); replacement of a Team San Jose office door and 12 new pairs of fire code compliant doors as the result of damage sustained during the Convention Center renovation (\$185,000); the repair of chairs and stair railings at the Center for Performing Arts (\$69,000); and stage lift and rigging support for theater productions (\$59,000). These increases are partially offset by the shift of funds for the initial CPA facility study (\$230,000) and theater repair work project savings (\$210,000). A corresponding decrease to the Ending Fund Balance is recommended to offset the remaining balance of this action.</p>				
<i>Ending Fund Balance Adjustment</i>	Muni Improvements Capital Program		(\$967,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
TOTAL CONV/CULTURAL AFFAIRS FUND (536)			\$0	\$0
DOWNTOWN PBID FUND (302)				
<i>Transfer from the General Fund (Downtown Property and Business Improvement District)/Ending Fund Balance</i>	Transportation		\$17,000	\$17,000
<p>This action increases the transfer from the General Fund by \$17,000 (from \$727,007 to \$744,007) to account for the payment due from the City for 2016-2017 and increases the Ending Fund Balance. The assessment rates assumed during budget development were lower than the final assessment rates adopted by the Property and Business Improvement District (PBID) Board of Directors in April 2016. The 2016-2017 Adopted Operating Budget assumed a 3% assessment rate increase based on the most recent Consumer Price Index (CPI) and other program costs; however a 5% rate increase was approved by the Board in April 2016. The assessment rates and budget for the PBID are determined by the Board and formally approved by the City Council. The General Fund pays the assessment for City-owned facilities in the PBID, as well as a contractually determined amount for maintenance of the downtown transit mall.</p>				
TOTAL DOWNTOWN PBID FUND (302)			\$17,000	\$17,000

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 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/Other Revenue</i>	Library		\$12,186	\$12,186
<p>This action increases the Library - General Gifts appropriation and the corresponding estimate for Other Revenue to recognize and appropriate \$12,186 gift made by the Legacy San José Alviso Youth Foundation in support of the Alviso Homework Club.</p>				
TOTAL GIFT TRUST FUND (139)			\$12,186	\$12,186
INTEGRATED WASTE MGT FUND (423)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$133,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Illegal Dumping Deterrents</i>	Environmental Services		\$133,000	
<p>This action increases the Environmental Services Department's Non-Personal/Equipment appropriation by \$133,000 (from \$3.1 million to \$3.2 million) to install illegal dumping deterrents. These improvements are funded by AB939 fees passed to the City from Santa Clara County. AB939 fees are allocated to waste diversion and household hazardous waste activities. The funding will be used to install deterrents, including gates, bollards, signage, and cameras, in areas within the city that are heavily impacted by illegal dumping. The installation of deterrents has shown to be effective at decreasing incidents of illegal dumping, and cameras will be used to issue citations to people found dumping items illegally. A consultant report on illegal dumping in San José completed in 2015 recommended the City implement a PACE (Prevention, Abatement, Cleanup, and Enforcement) model when dealing with illegal dumping. Installing deterrents, such as gates and bollards, are key to the Prevention component of the PACE model. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
TOTAL INTEGRATED WASTE MGT FUND (423)			\$0	\$0
LIBRARY PARCEL TAX FUND (418)				
<i>Personal Services (Hiring True-Up)</i>	Human Resources		\$10,000	
<p>This action increases the Human Resources Department's Personal Services appropriation by \$10,000 (from \$52,866 to \$62,866) due to higher than budgeted salary and retirement costs. During the development of the 2016-2017 Adopted Budget, new and vacant positions were budgeted at a lower salary level and at Tier 2 retirement costs. However, some positions were filled with incumbents that were hired at a higher salary level or with current City employees who are in the Tier 1 retirement system. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Library		(\$10,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL LIBRARY PARCEL TAX FUND (418)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
LOW/MOD INCOME HSNG ASSET FD (346)				
<i>Ending Fund Balance Adjustment</i>	Housing		(\$115,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Successor Agency to the Redevelopment Agency (Transfer of Loan Repayment)</i>	Housing		\$45,000	
This action increases the Successor Agency to the Redevelopment Agency (SARA) appropriation by \$45,000, from \$70,000 to \$115,000, to enable the Housing Department to transfer a loan payment to SARA. A Promissory Note, secured by a Deed of Trust, was executed by SARA in 1997 in connection with a Carnegie Square project loan. A loan repayment was received by the City in 2015-2016; however, the funds should have been transferred to SARA. A corresponding decrease to Ending Fund Balance is recommended to offset this action in this report.				
<i>Public Works Personal Services (Overage)</i>	Public Works		\$70,000	
This action increases the Public Works Department's Personal Services appropriation by \$70,000 to address higher than budgeted retirement services costs. During the development of the 2016-2017 Adopted Operating Budget, the retirement services costs were inadvertently calculated at Tier 2 retirement services rates; however, one position funded by this fund is in the Tier 1 retirement system. This action will better align the budget with the projected retirement costs. A corresponding decrease to Ending Fund Balance is recommended to offset this action in this report.				
TOTAL LOW/MOD INCOME HSNG ASSET FD (346)			\$0	\$0
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MULTI-SOURCE HOUSING FD (448)				
<i>Ending Fund Balance Adjustment</i>	Housing		\$1,489,596	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Inclusionary Projects (Equity-Share Loans)</i>	Housing		\$50,000	
This action reestablishes the Inclusionary Projects appropriation in the amount of \$50,000 for the issuance of 10 equity-share, single-family home loans of approximately \$5,000 each to homebuyers purchasing income-restricted units. These loans will be repaid over 30 years. As City loans get repaid and as repayments accumulate to a feasible amount, loan repayments will be recycled to fund similar small-scale loans in the future. A corresponding decrease to Ending Fund Balance to offset this action is recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2016-2017 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>Other Revenue (Metropolitan Apartments North - Loan Repayments)</i>	Housing			\$1,539,596
<p>This action increases the estimate for Other Revenue by \$1.5 million to recognize funds received as part of the Metropolitan Apartments North project construction and permanent financing actions. These funds are being recognized in the Multi-Source Fund because the original source of this revenue was from one-time State Housing Trust funds received in 2005. Revenue from the State of California for affordable housing uses is accounted for in the Multi-Source Housing Fund. Budget actions to expend these funds will be brought forward to City Council for approval and appropriation with a future affordable housing project.</p>				
<i>Recovery Act - Neighborhood Stabilization Program 2/Revenue from the Use of Money/Property</i>	Housing		\$300,000	\$300,000
<p>This action increases the Recovery Act – Neighborhood Stabilization Program 2 (NSP2) appropriation by \$300,000 (from \$22,000 to \$322,000) and the corresponding estimate for Revenue from the Use of Money/Property to recognize loan repayments received this year. The additional funding in the NSP2 appropriation will be transferred to Housing Trust Silicon Valley, the lead agency administrating the NSP2 program. In collaboration with the City, the Housing Trust Silicon Valley will fund new housing projects with the program income.</p>				
TOTAL MULTI-SOURCE HOUSING FD (448)			\$1,839,596	\$1,839,596
MUNICIPAL GOLF COURSE FUND (518)				
<i>Ending Fund Balance Adjustment</i>	Parks, Rec, & Neigh Svcs		(\$150,000)	
<p>This action decreases the Ending Fund Balance by \$150,000 to offset the actions recommended in this report.</p>				
<i>Los Lagos Golf Course</i>	Parks, Rec, & Neigh Svcs		\$100,000	
<p>This action increases the Los Lagos Golf Course appropriation by \$100,000 (from \$550,000 to \$650,000) in the Municipal Golf Course Fund to cover higher projected net operating losses (\$25,000) and a consultant contract (\$75,000). The appropriation covers payments to the course operator in months when course fees are unable to cover the costs of operating the facility. These payments are tracking to exceed the budget by \$25,000 due to larger operating losses. In response to the City Auditor's audit, a contract in the amount not to exceed \$75,000 was executed for a community outreach consultant to oversee a community outreach process and translation services. The community outreach effort will inform the City's future strategy development regarding land use to maximize the value of the Los Lagos' open space relative to current costs and public benefits of operating a golf facility. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 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>Rancho del Pueblo Golf Course</i>	Parks, Rec, & Neigh Svcs		\$50,000	
<p>This action increases the Rancho del Pueblo Golf Course appropriation by \$50,000 (from \$400,000 to \$450,000) 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 to offset this action is recommended in this report.</p>				
TOTAL MUNICIPAL GOLF COURSE FUND (518)			\$0	\$0
NEIGHBHD SECURITY BOND FD (475)				
<i>Other Revenue (Contractor Settlement Proceeds)/Transfer to the General Fund/Fire Station 37(Willow Glen)/Other Capital Projects Reserve</i>	Public Safety Capital Program		\$214,167	\$214,167
<p>This action establishes an estimate for Other Revenue in the Neighborhood Security Bond Fund to recognize revenue received from a mediated settlement between the City and the Guarantee Company of North America USA, the surety for the contractor that was unable to properly and timely complete the construction of Fire Station 24, in the amount of \$214,167. This action also establishes a Transfer to the General Fund appropriation to transfer \$200,000 of the revenue received to the General Fund. In the 2012-2013 Year-End Budget Review, the General Fund fronted \$200,000 for the City to retain a new contractor in order to complete the construction of Fire Station 24 while the dispute with the original contractor continued. The remaining balance of \$14,167 is recommended to be placed in the Fire Station 37 (Willow Glen)/Other Capital Projects Reserve. A corresponding transfer from the Neighborhood Security Bond Fund is recommended in the General Fund.</p>				
TOTAL NEIGHBHD SECURITY BOND FD (475)			\$214,167	\$214,167
PUBLIC WKS PRO SUPPORT FD (150)				
<i>Personal Services (Hiring True-Up)</i>	Human Resources		\$3,000	
<p>This action increases the Human Resources Department's Personal Services appropriation by \$3,000 (from \$114,035 to \$117,035) due to higher than budgeted salary and retirement costs. During the development of the 2016-2017 Adopted Budget, new and vacant positions were budgeted at a lower salary level and at Tier 2 retirement costs. However, some positions were filled with incumbents that were hired at a higher salary level or with current City employees who are in the Tier 1 retirement system. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Works		(\$33,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
PUBLIC WKS PRO SUPPORT FD (150)				
<i>Non-Personal/Equipment (Electric Vehicle Buy-Out)</i>	Public Works		\$30,000	
<p>This action increases the Public Works Department – Non-Personal/Equipment appropriation for the purchase of three Mitsubishi I-Miev electric plug-in vehicles as their lease is coming to an end. These are dedicated electric vehicles and the charging infrastructure exists at City Hall and other City locations. The vehicles will be available for business transportation needs such as offsite meetings, inspections, and other local travel needs. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
TOTAL PUBLIC WKS PRO SUPPORT FD (150)			\$0	\$0
SELF-INSURED MEDICAL FUND (158)				
<i>Health Plans</i>	Human Resources		(\$72,000)	
<p>This action decreases the Health Plans appropriation by \$72,000 (from \$7,104,000 to \$7,032,000). Based on the actual enrollment in this new medical plan, it is anticipated that savings will remain at the end of the year and can be reallocated to the Stop Loss Premium action recommended in this report.</p>				
<i>Stop Loss Premium</i>	Human Resources		\$72,000	
<p>This action increases the Stop Loss Premium appropriation by \$72,000 (from \$558,000 to \$698,000). The overall enrollment that was recommended by the City's broker is close to what was assumed in the development of this fund that was approved by City Council on November 8, 2016. This increase is due to enrollment in higher cost tier coverage levels. Funding for this increase is offset by a reduction to the Health Plans appropriation.</p>				
TOTAL SELF-INSURED MEDICAL FUND (158)			\$0	\$0
SJ ARENA CAPITAL RESERVE FD (459)				
<i>Electrical Repairs</i>	Economic Development		\$794,815	
<p>This action increases the Electrical Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the lighting system, transformers, audio visual systems, and Wi-Fi system. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Economic Development		\$12,453	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Mechanical Repairs</i>	Economic Development		\$286,906	
<p>This action increases the Mechanical Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the cooling tower, pumps, brine chillers, and air conditioning chillers. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ ARENA CAPITAL RESERVE FD (459)				
<i>Miscellaneous Repairs</i>	Economic Development		\$66,045	
<p>This action increases the Miscellaneous Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the Hall of Fame wall. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
<i>Previously Approved Repairs Reserve</i>	Economic Development		(\$2,107,596)	
<p>This action decreases the Previously Approved Repairs Reserve to offset the actions recommended in this report. Corresponding increases to the Electrical Repairs, Mechanical Repairs, Miscellaneous Repairs, Structures Repairs, and Unanticipated/Emergency Repairs appropriations are included in this report to provide funding for reimbursements to the Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. In addition, this action includes a decrease of \$12,453 to recognize a credit from a vendor for boiler repairs made in a prior year. This decrease is offset with a corresponding increase to the Ending Fund Balance as recommended in this report.</p>				
<i>Structures Repairs</i>	Economic Development		\$820,210	
<p>This action increases the Structures Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the roof, fixed seating, and doors and frames. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
<i>Unanticipated/Emergency Repairs</i>	Economic Development		\$127,167	
<p>This action increases the Unanticipated/Emergency Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. Some of the improvements included skylight glass replacement, power edger replacement, carpet replacement in the dressing rooms, amplifier repairs, hoist repairs, and landscaping. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
TOTAL SJ ARENA CAPITAL RESERVE FD (459)			\$0	\$0
STORM SEWER OPERATING FD (446)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Workers' Compensation Claims</i>	Environmental Services		\$50,000	
<p>This action increases the Workers' Compensation Claims appropriation by \$50,000, from \$86,000 to \$136,000. Claims through December are higher than anticipated and are expected to exceed budget by year end. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
TOTAL STORM SEWER OPERATING FD (446)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SUBDIVISION PARK TRUST FUND (375)				
<i>Calabazas Community Center Portable Classroom</i>	Parks & Comm Fac Dev Capital Program		\$12,000	
<p>This action increases the Calabazas Community Center Portable Classroom allocation by \$12,000, bringing the 2016-2017 budget to \$13,000. This project, which was completed in fall 2016, provided funding for the addition of a new portable classroom at Calabazas Community Center. Savings of \$49,000 were anticipated when the project was completing, therefore, the budget was reduced as part of the 2015-2016 Annual Report, which was approved by the City Council on October 18, 2016. However, an outstanding electrical invoice was later identified and the recommended funding will allow for the final project close-out. A corresponding decrease to the Future PDO/PIO Projects Reserve to offset the action is recommended below.</p>				
<i>Cannery Park Design Review and Inspection/Developer Contributions</i>	Parks & Comm Fac Dev Capital Program		\$355,000	\$355,000
<p>This action establishes the Cannery Park Design Review and Inspection allocation and recognizes revenue received from a developer for \$355,000. Cannery Park is a turnkey project being designed and constructed by a developer to partially fulfill its Parkland Dedication Agreement. Once completed, the new 1.0 acre neighborhood park near Mission Street and 10th Street will include a tot lot, dog park, picnic areas, open turf, and other amenities. Once the project is complete and open to the public (currently anticipated in fall 2018), the operating and maintenance costs are anticipated to be approximately \$15,000 annually. The operating and maintenance costs related to this project were not included in the 2017-2021 Five-Year General Fund Forecast, however, they will be included in the 2018-2022 General Fund Forecast, which will be released in February 2017. The action recommended as part of this document recognizes revenue received by the developer and allocates the funding for design review and inspection costs related to the new neighborhood park.</p>				
<i>Future PDO/PIO Projects Reserve</i>	Parks & Comm Fac Dev Capital Program		(\$12,000)	
<p>This action decreases the Future PDO/PIO Projects Reserve to offset the action recommended above.</p>				
TOTAL SUBDIVISION PARK TRUST FUND (375)			\$355,000	\$355,000
SUPPL LAW ENF SVCES FUND (414)				
<i>SLES Grant 2016-2018/Revenue from State of California</i>	Police		\$203,664	\$203,664
<p>This action increases the Supplemental Law Enforcement Services (SLES) Grant 2016-2018 appropriation to the Police Department and increases the estimate for Revenue from State of California in the amount of \$203,664 for the State of California's Citizen's Option for Public Safety (COPS) Program. Funding will be used in accordance with the spending plan that was approved by the City Council on December 13, 2016. The spending plan allocates funding for department hardware, software, and technology; officer safety equipment and enhancements in investigative abilities; crime prevention; community policing; and grants administration.</p>				
TOTAL SUPPL LAW ENF SVCES FUND (414)			\$203,664	\$203,664

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
VEHICLE MAINT & OPER FUND (552)				
<p><i>Inventory Purchases (Personal Services and Non-Personal/Equipment)</i></p> <p>This action decreases the Inventory Purchases appropriation by \$400,000 (from \$6.7 million to \$6.3 million) to reflect projected savings as a result of lower than anticipated fuel costs and consumption and, in separate actions, reallocates the funding to the Personal Services appropriation by \$200,000 and the Non-Personal/Equipment appropriation by \$200,000 to address higher than budgeted retirement costs and maintenance and operation costs of departments' vehicles.</p>	Public Works		(\$400,000)	
<p><i>Non-Personal/Equipment (Vehicle M&O)</i></p> <p>This action increases the Non-Personal/Equipment appropriation by \$200,000 (from \$1.7 million to \$1.9 million) to accommodate the maintenance and operation costs for new vehicles that were added in multiple departments. A corresponding decrease to the Inventory Purchases appropriation is recommended to offset this action in this report.</p>	Public Works		\$200,000	
<p><i>Personal Services (Hiring True Up)</i></p> <p>This action increases the Personal Services appropriation by \$200,000 (from \$8.0 million to \$8.2 million) to address higher than budgeted retirement costs. During the development of the 2016-2017 Adopted Budget, various positions were budgeted at Tier 2 retirement costs. However, these positions were filled with incumbents that were hired with current City employees who are in the Tier 1 retirement system. A corresponding decrease to the Inventory Purchases appropriation is recommended to offset this action in this report.</p>	Public Works		\$200,000	
TOTAL VEHICLE MAINT & OPER FUND (552)			\$0	\$0
WORKFORCE DEVELOPMENT FD (290)				
<p><i>Administration/Revenue from State of California</i></p> <p>This action decreases the Administration appropriation and the corresponding estimate for Revenue from State of California by \$2,143 to reflect the reduction of the grant amount allocated by the State of California Employment Development Department for 2016-2017.</p>	Economic Development		(\$2,143)	(\$2,143)
<p><i>Adult Workers/Revenue from State of California</i></p> <p>This action decreases the Adult Workers appropriation and the corresponding estimate for Revenue from State of California by \$9,239 to reflect the reduction of the grant amount allocated by the State of California Employment Development Department for 2016-2017.</p>	Economic Development		(\$9,239)	(\$9,239)
<p><i>BusinessOwnerSpace.com Network/Other Revenue</i></p> <p>This action increases the BusinessOwnerSpace.com Network appropriation and the corresponding estimate for Other Revenue to support work2future's Board and BusinessOwnerSpace.com related activities. The work2future Foundation funding will fund BusinessOwnerSpace.com (BOS), a one-stop resource for launching and growing a business in the greater San José metropolitan area.</p>	Economic Development		\$7,454	\$7,454

Special/Capital Funds Recommended Budget Adjustments Summary 2016-2017 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WORKFORCE DEVELOPMENT FD (290)				
<i>Customer Centered Design Project/Revenue from State of California</i>	Economic Development		\$20,000	\$20,000
This action establishes the Customer Centered Design Project appropriation and increases the estimate for Revenue from State of California by \$20,000. This grant from the State of California Employment Development Department will support the costs associated with assessing work2future's customer services delivery system.				
<i>Dislocated Workers/Revenue from State of California</i>	Economic Development		(\$10,046)	(\$10,046)
This action decreases the Dislocated Workers appropriation and the corresponding estimate for Revenue from State of California by \$10,046 to reflect the reduction of the grant amount allocated by the State of California Employment Development Department for 2016-2017. This program provides training services for unemployed workers including career counseling, training and educational resources.				
<i>Rapid Response/Revenue from State of California</i>	Economic Development		(\$879)	(\$879)
This action decreases the Rapid Response appropriation and the corresponding estimate for Revenue from State of California by \$879 to reflect the reduction of the grant amount allocated by the State of California Employment Development Department for 2016-2017. This program provides job training services to businesses and workers impacted or at risk of being impacted by company closures or layoffs.				
<i>Regional Plan Development Project/Revenue from State of California</i>	Economic Development		\$166,569	\$166,569
This action establishes the Regional Plan Development Project appropriation and increases the Revenue from State of California by \$166,569. This grant from the State of California Employment Development Department will support the costs related to the development of the local plan as mandated by the State of California.				
<i>State Incentive Award/Revenue from State of California</i>	Economic Development		\$54,838	\$54,838
This action establishes the State Incentive Award appropriation and increases the estimate for Revenue from State of California by \$54,838. This action recognizes and appropriates grant funding to support Workforce Innovation and Opportunity Act (WIOA) programs, administrative and general activities. The work2future program received this incentive award for being one of the 31 local boards that were certified by the State as a high-performing board in 2012-2013. The Governor's discretionary funding has recently been restored and have made the funds available to provide performance incentives.				
TOTAL WORKFORCE DEVELOPMENT FD (290)			\$226,554	\$226,554