

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	Airport Department		\$273,291	\$273,291

This action increases the Transfer from the General Fund and increases the Airline Agreement Reserve appropriation by \$273,291. Per Federal Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located at Airport properties must be returned to the Airport Department. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this time frame, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax, effective October 2016, must follow the FAA policy. As part of the 2017-2018 Year-End Clean-Up Memorandum, approved on June 19, 2018, the City Council approved the transfer of \$220,000 from the General Fund to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from December 2017 through June 2018. At that time, the Budget Office believed the implementation date of the FAA policy was December 2017. However, this policy applies to the Local Sales Tax since its inception in October 2016. This transaction transfers funding of \$273,291 from the General Fund to the Airport Revenue Fund to account for actual Local Sales Tax revenue generated from jet fuel sales from October 2016 through June 2018 that had not yet been reimbursed. A corresponding action in the General Fund is recommended to offset this action.

Airline Agreement Reserve (Commercial Paper Paydown)	Airport Department		(\$4,500,000)	
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This action decreases the Airline Agreement Reserve by \$4.5 million (from \$49,297,662 to \$44,797,662) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding adjustments in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Future Budgets/Capital Reserve (Interim Terminal Facility - Six Gates)	Airport Department		\$26,630,779	

This action establishes the Future Budgets/Capital Reserve in the amount of \$26.6 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. Therefore, this action restores the Airport's Future Budgets/Capital Reserve. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve (Interim Terminal Facility - Six Gates)	Airport Department		\$31,369,221	

This action increases the Airline Agreement Reserve in the amount of \$31.4 million (from \$49,297,662 to \$80,666,883). As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. Therefore, this action restores the Airline Agreement Reserve. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Airport Surplus Revenue Fund (Interim Terminal Facility - Six Gates)	Airport Department		(\$58,000,000)	

This action decreases the Transfer to the Airport Surplus Revenue Fund by \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. This action reduces the transfer to the Airport Surplus Revenue Fund. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Transfer to the Airport Surplus Revenue Fund (Commercial Paper Paydown)	Airport Department		\$4,500,000	
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This action increases the Transfer to the Airport Surplus Revenue Fund by \$4.5 million (from \$80,439,783 to \$84,939,783) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

Airport Revenue Fund (521)			\$273,291	\$273,291
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Airport Renewal and Replacement Fund/Transfers and Reimbursements (From the Airport Revenue Fund for Interim Terminal Facility - Six Gates)	Airport Department		(\$58,000,000)	(\$58,000,000)

This action decreases the Transfer from the Airport Revenue Fund (from \$80,439,783 to \$22,439,783) and corresponding Transfer to the Airport Renewal and Replacement Fund (from \$76,335,000 to \$18,335,000) by \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. This action reduces the Transfer from the Airport Revenue Fund and the Transfer to the Airport Renewal and Replacement Fund. Corresponding adjustments in the Airport Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Transfers and Reimbursements (From the Airport Revenue Fund for Commercial Paper Paydown)	Airport Department			\$4,500,000
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This action increases the Transfer from the Airport Revenue Fund in the amount of \$4.5 million (from \$80,439,783 to \$84,939,783) to fund an additional payment on the Airport's Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Revenue Fund and in this fund are recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Commercial Paper Principal and Interest	Airport Department		\$4,500,000	

This action increases the Commercial Paper Principal and Interest appropriation in the amount of \$4.5 million (from \$3,104,783 to \$7,604,783) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Revenue Fund and in this fund are recommended elsewhere in this report.

Airport Surplus Revenue Fund (524)			(\$53,500,000)	(\$53,500,000)
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**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

City Hall Debt Service Fund (210)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Transfer to the Sewer Service and Use Charge Fund	Office of the City Manager		\$309,000	
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This action establishes a transfer to the Sewer Service and Use Charge Fund in the amount of \$309,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sewer Service and Use Charge Fund to the City Hall Debt Service Fund for that fund's share of the debt service related to the construction of City Hall was over-allocated by \$309,000. This recommended action reimburses the Sewer Service and Use Charge Fund to correct for this error and is offset by a reduction to the Ending Fund Balance.

Ending Fund Balance Adjustment	Office of the City Manager		(\$327,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Transfer to the Sanitary Sewer Connection Fee Fund	Office of the City Manager		\$18,000	
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This action establishes a transfer to the Sanitary Sewer Connection Fee Fund in the amount of \$18,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sanitary Sewer Connection Fee Fund to the City Hall Debt Service Fund for that fund's share of the debt service related to the construction of City Hall was over-allocated by \$18,000. This recommended action reimburses the Sanitary Sewer Connection Fee Fund to correct for this error and is offset by a reduction to the Ending Fund Balance.

City Hall Debt Service Fund (210)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Program Development and Monitoring	Housing Department		\$133,857	

This action increases the Housing Program Development and Monitoring appropriation in the amount of \$133,857, from \$1.5 million to \$1.7 million, to support the development of the new Consolidated Action Plan. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Property Acquisition Reserve	Housing Department		\$700,000	
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This action establishes an appropriation for Property Acquisition Reserve in the amount of \$700,000 for the purchase of a part of the Evans Lane property from the Low and Moderate Income Housing Asset Fund for development of a Modular Library and Community Garden pending the identification of the operating model for the library. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Emergency and Minor Repair Program	Housing Department		\$140,000	

This action increases the Housing Emergency and Minor Repair appropriation by \$140,000, from \$1.5 million to \$1.6 million, for increased funding to Habitat for Humanity and Rebuilding Together services. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Legal Aid Fair Housing Program	Housing Department		(\$50,000)	
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This action decreases the Legal Aid Fair Housing Program by \$50,000, from \$300,000 to \$250,000, to recognize a funding shift for a portion of the program to the existing Contractual Community Services appropriation. Total funding for the Legal Aid Fair Housing Program remains unchanged at \$300,000. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Neighborhood Infrastructure Improvements	Housing Department		\$1,658,961	

This action increases the Neighborhood Infrastructure Improvements appropriation by \$1.7 million, from \$3.0 million to \$4.7 million, primarily for the Evans Lane development including the modular library, lights, roads and a community garden. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$2,582,818)	
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This action decreases Ending Fund Balance to offset the actions in this report.

Community Development Block Grant Fund (441)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Convention And Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from Transient Occupancy Tax Fund)	City Manager - Office of Economic Development			\$652,375
<p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budgeted estimate of \$28.0 million by \$1.3 million. This action increases the transfer to the Convention and Cultural Affairs Fund by \$652,375 in accordance with the distribution formula outlined in the San José Municipal Code to allocate the additional revenue received in the TOT Fund during 2017-2018. Corresponding adjustments to increase the transfer from the TOT Fund and adjust ending fund balance are also recommended in this report.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development		\$652,375	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
Convention And Cultural Affairs Fund (536)			\$652,375	\$652,375

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
South Hall Site Acquisition Debt Service	Finance Department		\$1,750,000	

This action establishes a debt service appropriation for the annual interest payments and Commercial Paper issuance expenses associated with the acquisition of the South Hall Site, as approved by the City Council on August 14, 2018, in the Convention Center Facility District Revenue Fund. This debt service payment was initially budgeted in the Convention and Cultural Affairs Capital Fund. With the accelerated payoff of other Commercial Paper debt associated with previous Convention Center expansion projects described below, there are sufficient resources within this fund to cover interest-only debt service payments over the next several years while the City considers a permanent financing and site development plan. A corresponding action to reduce equivalent funding in the Convention and Cultural Affairs Capital Fund is recommended elsewhere in this report, thereby increasing resources in that fund for any critical infrastructure improvements.

Debt Service: Commercial Paper (Convention Center Kitchen and HVAC)	Finance Department		\$1,389,000	
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This action increases funding by \$1.4 million, from \$1.4 million to \$2.8 million, to advance the retirement of the remaining principal and interest balance on Commercial Paper notes issued for prior expansion and renovation projects for the kitchen and HVAC system at the San José McEnery Convention Center. The outstanding balance is expected to be paid in full in 2018-2019, providing additional capacity to finance other priority projects, including support of the South Hall site acquisition. A corresponding action to reduce ending fund balance in the Convention Center Facility District Revenue Fund is recommended elsewhere in this report.

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Convention Center Facilities District Capital Fund	City Manager - Office of Economic Development		\$400,000	

This action increases the transfer to the Convention Center Facilities District Capital Fund by \$400,000, from \$2.1 million to \$2.5 million, to support the installation of protective, and more visually appealing, stainless steel diamond plate covers for the 21 remaining concrete columns in the San José McEnery Convention Center that have not been addressed through prior authorized projects. Corresponding actions to recognize this transfer and appropriate funds for the Convention Center Concourse Column Covers project in the Convention Center Facilities District Capital Fund are recommended elsewhere in this report.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development		(\$3,539,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Convention Center Facilities District Revenue Fund (791)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Downtown Property And Business Improvement District Fund (302)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Downtown Property and Business Improvement District	Transportation Department		\$99,750	
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This action increases the Downtown Property and Business Improvement District appropriation by \$99,750 to allow for distribution of 2017-2018 tax assessments received from late payments or sale of directly-invoiced properties in the Downtown Properties Business Improvement District (PBID). Assessments are distributed as part of a contract between the City and PBID after payment has been received from property owners. A corresponding decrease to Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$99,750)	
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This action decreases Ending Fund Balance to offset the action recommended in this report.

Downtown Property And Business Improvement District Fund (302)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
2015 Justice Assistance Grant	Police Department		(\$12,000)	
<p>This action decreases the 2015 Justice Assistance Grant appropriation by \$12,000, from \$15,621 to \$3,621, to reconcile the grant funds. The Justice Assistance Grant program awards funds to further the Police Department's mission to promote public safety; prevent, suppress, and investigate crimes; provide emergency and non-emergency services; and adapt a multi-disciplinary approach to solving community problems, such as reducing gun violence. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Police Department		\$12,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
Ending Fund Balance/Beginning Fund Balance	Police Department		\$503	\$503
<p>This technical adjustment increases the Ending Fund Balance and Beginning Fund Balance by \$503 to recognize a liquidation of a carryover encumbrance.</p>				
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Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)			\$503	\$503

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Federal Drug Forfeiture Fund (419)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Pawn Slip Database)	Police Department		(\$55,000)	

This action decreases the Police Department's Non-Personal/Equipment appropriation by \$55,000. The California Department of Justice provided free software to the Police Department to allow staff to quickly query pawn slips and images of pawned items to help identify burglary suspects and stolen property. The funding originally allocated in the Federal Drug Forfeiture Fund to pay for a similar software is no longer needed. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Police Department		\$55,000	
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This action increases the Ending Fund Balance to offset the action recommended in this report.

Federal Drug Forfeiture Fund (419)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Library - General Gifts	Library Department		\$81,159	
<p>This action increases the Library - General Gifts appropriation by \$81,159 to appropriate gifts made by various donors in 2017-2018, such as the Friends of the Library groups and the San José Library Foundation in support of the following: Cambrian Branch Library programming, supplies, and Summer Reading (\$2,500); Joyce Ellington Branch Library programming and supplies (\$250); Rose Garden Branch Library programming and supplies (\$1,000); Vineland Branch Library programming and supplies (\$1,780); West Valley Branch Library programming and supplies (\$500); Willow Glen Branch Library programming, supplies, and Summer Reading (\$1,365); and San José Promise (\$73,764). A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Library - General Gifts/Other Revenue	Library Department		\$23,373	\$23,373
<p>This action increases the Library – General Gifts appropriation and the corresponding estimate for Other Revenue in the amount \$23,373 to recognize and appropriate gifts made by various donors in 2018-2019, such as the Friends of the Library groups in support of the following: Alviso Branch Library programming and supplies (\$1,000); Berryessa Branch Library programming and supplies (\$1,500); Educational Branch Library programming and supplies (\$800); Dr. Martin Luther King Jr. Library programming and supplies (\$5,000); Hillview Branch Library programming and supplies (\$173); Joyce Ellington Branch Library programming and supplies (\$100); San José Public Library Marketing and Communications (\$10,000); Santa Teresa Branch Library programming and supplies (\$275); Seven Trees Branch Library programming and supplies (\$630); Vineland Branch Library programming and supplies (\$300); West Valley Branch Library programming and supplies (\$1,250); and Willow Glen Branch Library programming and supplies (\$2,345).</p>				
Ending Fund Balance Adjustment	Library Department		(\$81,159)	

This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Canine Unit/Other Revenue	Police Department		\$5,000	\$5,000

This action increases the Canine Unit appropriation and the estimate for Other Revenue to recognize and appropriate a gift of \$5,000 to fund training for canines and their handlers. The mandatory six-week course for new handlers teaches canines and handlers basic patrol readiness.

Gift Trust Fund (139)			\$28,373	\$28,373
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**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Home Investment Partnership Program Trust Fund (445)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Loans and Grants	Housing Department		\$3,700,000	

This action increases the Housing Loans and Grants appropriation by \$3.7 million to recognize a shift in funding sources for the Leigh Avenues Senior Apartments Project (\$2.2 million) and to appropriate the increase to the budget for the 2nd Street Studios project (\$1.5 million) that was approved by the City Council in June 12, 2018. The funding for the Leigh Avenues Senior Apartments Project was previously appropriated in the Committed Projects Reserve in the Low and Moderate Income Housing Asset Fund and actions to decrease the project funding in that reserve are also recommended. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$3,700,000)	
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This action decreases Ending Fund Balance to offset the action in this report.

Home Investment Partnership Program Trust Fund (445)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Housing Trust Fund (440)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing and Homeless Projects	Housing Department		\$150,000	

This action increases the Homeless and Housing Projects appropriation by \$150,000, from \$1.0 million to \$1.15 million, to support the Safe Parking Pilot Program. The March Mayor's Budget Message for Fiscal Year 2018-2019 directed the Housing Department to identify \$3.0 million to increase support for Homeless and Housing projects including a Safe Parking Pilot Program. The Housing Litigation Award funds were appropriated for this purpose; however, it was consequently determined not to be an eligible source for the Safe Parking Program. This action will allow the Housing Department to proceed with the Mayor's Message direction. A corresponding action to decrease Ending Fund Balance to offset this action is recommended elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$150,000)	
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This action decreases Ending Fund Balance to offset the action in this report.

Housing Trust Fund (440)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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EIC QALICB Master Lease Payment	Environmental Services Department		\$72,000	
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This action increases the Environmental Services Department's Environmental Innovation Center Qualified Active Low-Income Community Business EIC QALICB Master Lease Payment appropriation in the Integrated Waste Management Fund by \$72,000, from \$150,000 to \$222,000. This will allow the department to continue to pay, and to close out, the Environmental Innovation Center Master Lease. As this construction and associated activities are coming to completion, the Master Lease Agreement calls for the dissolution of EIC QALICB Inc.—the non-profit corporation created to hold and manage ownership of the EIC—and an end of Master Lease payments during 2018-2019. As originally budgeted, this appropriation included sufficient funding for payments in the first quarter and a fraction of the second. As the agreement has been clarified, full payment in the second quarter is required in order to complete the agreement and dissolve EIC QALICB Inc. This action is offset by a reduction to the Ending Fund Balance recommended in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$72,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Integrated Waste Management Fund (423)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from the Use of Money/Property (Loan Repayment)	Housing Department		(\$24,000,000)	(\$24,000,000)

This action decreases the estimate for Revenue from the Use of Money/Property by \$24.0 million (from \$41.5 million to \$17.5 million) to align the budget with estimated collections of loan repayments. The 2018-2019 Operating Budget assumed a \$30.0 million loan repayment from the County of Santa Clara. Instead, \$24.0 million was received in 2017-2018. The \$6 million balance is anticipated to be received in 2018-2019 and is reflected in the revised revenue estimate. An action to decrease the Ending Fund Balance to offset this action is found elsewhere in this report.

Housing Project Reserve	Housing Department		\$12,963,000	
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This action increases the Housing Project Reserve by \$13.0 million to set aside funds for future affordable housing development. A reduction to the Committed Projects Reserve and the Ending Fund Balance are recommended elsewhere in this report to offset this action.

Committed Projects Reserve	Housing Department		(\$2,200,000)	
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This action decreases the Committed Project Reserve by \$2.2 million, from \$17.0 million to \$15.8 million, to reduce funding set aside for the Leigh Avenue project in the Low and Moderate Income Housing Asset Fund. In a separate action, funding of \$2.2 million for this project is recommended in the Home Invest Partnership Program Trust Fund. In the Low and Moderate Income Housing Asset Fund, this action is offset by an increase to the Housing Project Reserve.

Ending Fund Balance Adjustment	Housing Department		(\$10,763,000)	
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This action decreases Ending Fund Balance to offset the actions in this report.

Low And Moderate Income Housing Asset Fund (346)			(\$24,000,000)	(\$24,000,000)
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Emergency Housing Plan)	Housing Department		\$150,000	
<p>This action increases the Housing Department's Non-Personal/Equipment Appropriation by \$150,000 to fund a consultant agreement to develop and update the Emergency Housing Plans. Having these and other emergency preparedness plans will better prepare the City in the event of a natural disaster. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Housing Loans and Grants (Teacher Loan Repayment)	Housing Department		\$104,000	
<p>This action increases the Housing Loans and Grants appropriation in the amount of \$104,000 to pass repayments to San José State University (SJSU) for teacher loans that were repaid in April 2018. The City of San José partnered with San José State University in 2007 to offer the Faculty Homebuyer Program. Half of the funds were provided by San José State University (\$500,000) and the other half by the City of San José to offer homebuyer assistance loans to SJSU staff. As repayments are received, the City is contractually obligated to return the money to San José State University until the obligation is fully met. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Non-Personal/Equipment/Other Revenue (Dahlia Project Grant)	Housing Department		\$80,000	\$80,000
<p>This action increases the estimate for Other Revenue and the Housing Department Loans and Grants appropriation by \$80,000 to recognize a grant from The Silicon Valley Community Foundation for the development of a affordable housing rental database and web portal. This will allow those seeking affordable housing opportunities to search for available units in one single location. Ongoing costs associated with this program will be covered by the Low and Moderate Income Housing Asset Fund.</p>				
Ending Fund Balance Adjustment	Housing Department		(\$2,501,341)	
<p>This action decreases Ending Fund Balance to offset the actions in this report.</p>				

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
City Housing Authority Reserve	Housing Department		\$2,247,341	

This action increases the City Housing Authority Reserve by \$2.2 million, from \$67.6 million to \$69.8 million, based on the reconciliation of the Housing Authority Litigation Award funds. Unspent funds that fell to fund balance and interest earnings from 2017-2018 are included in this action. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Multi-Source Housing Fund (448)			\$80,000	\$80,000
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Letter of Credit Fees	Community Energy Department		\$375,000	
<p>This action establishes a Letter of Credit Fees appropriation in the amount of \$375,000. On September 25, 2018, City Council authorized staff to execute a \$50.0 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs and provide collateral for various energy contracts. Funding for all debt service fees associated with the Program's start-up, including the Letter of Credit fees, were assumed during the development of the 2018-2019 Adopted Budget. This action isolates the Letter of Credit fees, which represent the cost set forth by Barclays Bank to maintain a \$50.0 million credit facility, consisting of a revolving Line of Credit not to exceed \$20.0 million and a Standby Letter of Credit not to exceed \$35.0 million for a total aggregate amount that shall not exceed \$50.0 million at any one time. A corresponding action to decrease the Debt Service - Interest - Revolver appropriation is recommended elsewhere in this memorandum.</p>				
Debt Service - Interest - Revolver	Community Energy Department		(\$375,000)	
<p>This action decreases the Debt Service - Interest - Revolver appropriation by \$375,000, from \$1,095,000 to \$720,000. On September 25, 2018, City Council authorized staff to execute a \$50 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs. Funding for all debt service fees associated with the Program's start-up, including the Letter of Credit fees, were assumed during the development of the 2018-2019 Adopted Budget. This action isolates the Letter of Credit fees, which represent the cost set forth by Barclays Bank to maintain a \$50.0 million credit facility, consisting of a revolving Line of Credit not to exceed \$20.0 million and a Standby Letter of Credit not to exceed \$35.0 million for a total aggregate amount that shall not exceed \$50.0 million at any one time. A corresponding action to establish a new Letter of Credit Fees appropriation is recommended elsewhere in this memorandum.</p>				

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Financing Proceeds/Debt Service - Principal - Revolver (Line of Credit)	Community Energy Department		(\$15,000,000)	(\$15,000,000)

This action decreases the estimate for Financing Proceeds and the Debt Service - Principal - Revolver appropriation by \$15.0 million. On September 25, 2018, City Council authorized staff to execute a \$50.0 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs. This \$50.0 million credit facility consists of a Revolving Line of Credit in an amount not to exceed \$20.0 million and a Standby Letter of Credit in an amount not to exceed \$30.0 million. In the 2018-2019 Adopted Budget, the Revolving Line of Credit was budgeted at \$35.0 million. This action decreases the current appropriation to \$20.0 million to align with the Line of Credit principal credit limit.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service - Interest - Commercial Paper	Community Energy Department		(\$460,000)	

This action eliminates the Debt Service – Interest – Commercial Paper appropriation in 2018-2019 of \$460,000. The San José Community Energy Department (SJCE) recently entered into an agreement, approved by City Council on September 25, 2018, to establish a \$50.0 million credit facility to support the Department's program launch start-up costs. The credit facility is necessary to support San José Community Energy Program start-up costs and provide collateral for various energy contracts for SJCE in preparation of the Clean Energy Program launch, namely Phase II that will serve residential and commercial customers throughout the City. As a requirement that is set forth in the credit facility agreement, SJCE must build up an Operating Reserve of \$20.0 million before it assumes the repayment of any debt, including repayment of the Commercial Paper. With the actions recommended in this report, the budgeted reserves will total \$18.2 million, including \$13.3 million in the Operations and Maintenance Reserve and \$4.9 million in the Community Energy Rate Stabilization Reserve. This debt service interest payment will instead be rolled into debt payments due in 2019-2020, when it is projected that the \$20.0 million Operating Reserve level will be met. Corresponding adjustments to the Debt Service – Principal – Commercial Paper and Operations and Maintenance Reserve appropriations are also recommended elsewhere in this document.

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service - Principal - Commercial Paper	Community Energy Department		(\$7,500,000)	

This action eliminates the Debt Service – Principal – Commercial Paper appropriation in 2018-2019 of \$7.5 million. The San José Community Energy Department (SJCE) recently entered into an agreement, approved by City Council on September 25, 2018, to establish a \$50.0 million credit facility to support the Department's program launch start-up costs. The credit facility is necessary to support San José Community Energy Program start-up costs and provide collateral for various energy contracts for SJCE in preparation of the Clean Energy Program launch, namely Phase II that will serve residential and commercial customers throughout the City. As a requirement that is set forth in the credit facility agreement, SJCE must build up an Operating Reserve of \$20.0 million before it assumes the repayment of any debt, including repayment of the Commercial Paper. With actions recommended in this report, the budgeted reserves will total \$18.2 million, including \$13.3 million in the Operations and Maintenance Reserve and \$4.9 million in the Community Energy Rate Stabilization Reserve. This debt service principal payment will instead be rolled into debt payments due in 2019-2020, when it is projected that the \$20.0 million Operating Reserve level will be met. Corresponding adjustments to the Debt Service – Principal – Commercial Paper and Operations and Maintenance Reserve appropriations are also recommended elsewhere in this document.

Operations and Maintenance Reserve	Community Energy Department		\$7,960,000	
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This action increases the Operations and Maintenance Reserve by \$8.0 million (from \$5.3 million to \$13.3 million) to offset the Debt Service Commercial Paper adjustments that are recommended elsewhere in this report.

San José Clean Energy Operating Fund (501)			(\$15,000,000)	(\$15,000,000)
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

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

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Personal Services (Climate Smart San José)</p> <p>This action decreases the Environmental Services Department's Personal Services appropriation by \$50,000 to correct the funding allocation for 0.3 FTEs working within the scope of Climate Smart San José, a City Council-approved plan for reducing greenhouse gas emissions related to energy, mobility (transportation and land use), and ensuring a long-term water supply. The 0.3 FTE is recommended to be funded by the General Fund and corresponding actions to increase the Personal Services appropriation and decrease the San José Environmental Sustainability Program Reserve in the General Fund are recommended elsewhere in this report.</p>	Environmental Services Department		(\$50,000)	
<p>Ending Fund Balance Adjustment</p> <p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>	Environmental Services Department		\$75,572	
<p>Overhead</p> <p>This action decreases the Overhead appropriation by \$25,572, from \$12.61 million to \$12.59 million. During the development of the 2018-2019 Adopted Operating Budget, an error was made in the allocation of City-wide overhead in the San José-Santa Clara Treatment Plant Operating Fund. This action corrects this error and properly aligns the overhead allocation to the corresponding revenue estimate in the General Fund. A corresponding increase to the Ending Fund Balance is recommended to offset this action in this report.</p>	Environmental Services Department		(\$25,572)	

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

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Sewer Service And Use Charge Fund (541)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Dump Truck Rental)	Transportation Department		\$45,000	
<p>This action increases the Department of Transportation's Non-Personal/Equipment appropriation by \$45,000 for the rental of a dump truck for nine months to support sewer repairs until a new dump truck is procured. The purchase of a new dump truck was approved in the 2018-2019 Adopted Budget, and the purchasing process is anticipated to take nine to twelve months. A corresponding decrease to Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$45,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Sewer Service And Use Charge Fund (541)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

South Bay Water Recycling Operating Fund (570)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Contractual Services)	Environmental Services Department		\$1,100,000	
<p>This action increases the Environmental Services Department's Non-Personal/Equipment appropriation within the South Bay Water Recycling Operating Fund by \$1.1 million, from \$3.2 million to \$4.3 million. This fund was created in the 2018-2019 Adopted Operating Budget to more effectively organize revenues and expenditures related to the South Bay Water Recycling Plant, which provides water recycling services to a variety of jurisdictions in the South Bay. Since establishment of the fund, staff has continued to scope and refine the necessary funding allocations. The funding allocation of \$1.1 million implements significant operations projects, such as valve repair and replacement, communications and control upgrades, and pump station retrofits to allow for optimized service levels to continue daily recycled water utility operations. This action is offset by a corresponding reduction to the Ending Fund Balance.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$1,100,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

South Bay Water Recycling Operating Fund (570)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

St. James Park Management District Fund (345)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (St. James Placemaking - reallocation of funding from General Fund)	Parks, Recreation and Neighborhood Services Department		\$12,165	
<p>This action increases the Personal Services appropriation to the Parks, Recreation and Neighborhood Services Department by \$12,165 (from \$211,897 to \$224,062) to reflect the costs of a part-time position that was inadvertently funded in the General Fund. A corresponding decrease to the Personal Services appropriation to the Parks, Recreation and Neighborhood Services Department in the General Fund is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services Department		(\$12,165)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

St. James Park Management District Fund (345)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Storm Sewer Operating Fund (446)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Overhead	Transportation Department		\$15,613	
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This action increases the Overhead appropriation by \$15,613, from \$3.76 million to \$3.77 million. During the development of the 2018-2019 Adopted Operating Budget an error was made in the allocation of City-wide overhead in the Storm Sewer Operating Fund. This action corrects this error and properly aligns the overhead allocation to the corresponding revenue estimate in the General Fund. A corresponding decrease to the Ending Fund Balance is recommended to offset this action in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$15,613)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Storm Sewer Operating Fund (446)

**Special Funds Recommended Budget Adjustments Summary
2017-2018 Annual Report**

Supplemental Law Enforcement Services Fund (414)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SLES Grant 2015-2017/Revenue from State of California (Interest Earnings)	Police Department		\$1,302	\$1,302

This action increases the SLES Grant 2015-2017 appropriation to the Police Department and increases the estimate for Revenue from State of California, to recognize interest earned in 2017-2018, to the Supplemental Law Enforcement Services grant in the amount of \$1,302. The funds will be used in accordance with the approved spending plan, which includes officer equipment and enhancements, training, computers, specialized vehicles, and grant administration.

Supplemental Law Enforcement Services Fund (414)			\$1,302	\$1,302
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Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Cultural Grants (TOT Revenue Reconciliation)</p> <p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the Cultural Grants allocation by \$335,067 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue (\$326,187), and to allocate excess revenue received from Office of Cultural Affairs permitting activity (\$8,800). A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		\$335,067	
<p>Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)</p> <p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the transfer to the Convention and Cultural Affairs Fund by \$652,375 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		\$652,375	

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
San José Convention and Visitors Bureau (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		\$326,187	

Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the San José Convention and Visitors Bureau allocation by \$326,187 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		(\$1,313,629)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Transient Occupancy Tax Fund (461)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Water Utility Fund (515)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the General Fund - Late Fees	Environmental Services Department		\$91,770	
<p>This action increases the Transfer to the General Fund - Late Fees by \$91,770, from \$250,000 to \$341,770, to reflect higher than anticipated Late Fee revenue received in 2017-2018. Late Fee revenues in the Water Utility Fund are an unrestricted source of income for the City, and are therefore transferred each year to the General Fund. Corresponding actions to recognize this funding in the General Fund and to decrease the Ending Fund Balance in the Water Utility Fund are recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$91,770)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

Water Utility Fund (515)

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Administrative Costs	City Attorney's Office		(\$57,423)	
<p>This action decreases the budget for City Attorney's Office administrative costs by \$57,000 based on expected need for legal services. The City Attorney's Office provides guidance on Workforce Investment and Opportunity Act program management. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>				
Revenue form Federal Government	City Manager - Office of Economic Development			(\$2,076,495)
<p>This action decreases the estimate for Revenue from Federal Government by \$2.1 million to align with the allocation anticipated to be received from the Federal Government for 2018-2019. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>				
Administration - City Attorney's Office	City Manager - Office of Economic Development		\$39,822	
<p>This action increases the Administration appropriation by \$39,822 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>				
Adult Workers	City Manager - Office of Economic Development		(\$225,779)	
<p>This action decreases the Adult Workers appropriation by \$226,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training, occupational courses, work readiness certification, and other services that prepare unemployed adult workers to successfully enter the workforce. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>				

Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Dislocated Workers</p> <p>This action decreases the Dislocated Workers appropriation by \$116,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides retraining career coaching, occupational courses, and other services that aid individuals that are long term unemployed, laid off or on the verge of being laid off, and unlikely to return to the previous position. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		(\$115,825)	
<p>Rapid Response Grant</p> <p>This action decreases the Rapid Response Grant appropriation by \$109,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training services to businesses and workers impacted or at risk of being impacted like company closures or layoffs. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		(\$108,882)	
<p>Youth Workers</p> <p>This action decreases the Youth Workers appropriation by \$248,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training, career coaching, vocational assessment, and other services that prepare youth ranging from 18 through 24 years in age to secure employment. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		(\$248,367)	
<p>Ending Fund Balance Adjustment</p> <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>	City Manager - Office of Economic Development		(\$1,360,041)	
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Workforce Development Fund (290)			(\$2,076,495)	(\$2,076,495)