

Airport Renewal and Replacement Fund**Fund 527****PURPOSE OF THE FUND:**

The Airport Renewal and Replacement Fund finances Airport capital acquisitions and improvements. The sources of this fund are operational revenues that are budgeted in the annual maintenance and operating budget, included in the calculation of the annual rates, and funneled to this fund via the Airport Surplus Revenue Fund. Projects in this fund include capital maintenance of existing facilities, environmental/planning work, as well as major projects that have not received – or are ineligible for – funding approval under the Airport Improvement Program or Airport Passenger Facility Charge Program. As specified in Bond Resolution 57794 and subsequent amendments to the Bond Resolution, no deposit shall be made in this fund which will increase the available fund balance above \$3,000,000.

AUTHORITY FOR THE FUND:

San José Municipal Code section 4.80.050. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Transfers from the Airport Surplus Revenue Fund
- Investment/Interest Income
- Tenant Improvement Payments

FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted by other policies and guidelines, which are described below.

Legal restrictions placed on this fund are subject to provisions of the Master Trust Agreement dated July 1, 2001, as supplemented and amended. Federal regulations prohibit the use and/or transfer of airport funds to any other funds for non-airport related costs and/or projects. There are no interest restrictions in the Airport Revenue Fund. For further information regarding the flow of Airport funds into the Airport Renewal and Replacement Fund, please refer to the Airport Revenue Fund summary and the Flow and Priority of Funds chart.

LEAD RESPONSIBILITY:

Airport Department

Airport Renewal and Replacement Fund

Fund 527

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Proprietary Fund-Enterprise

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Airport Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 9.04